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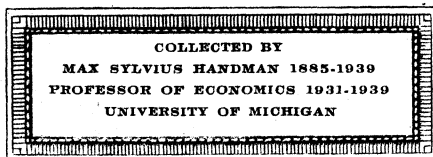
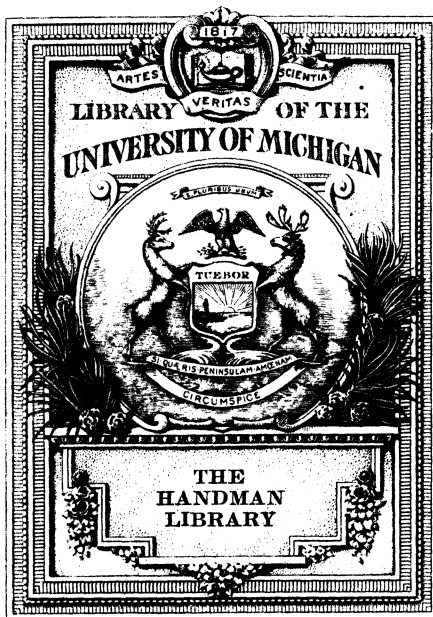
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AMERICAN  
WORLD POLICIES

WALTER E. WEYL

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# **AMERICAN WORLD POLICIES**



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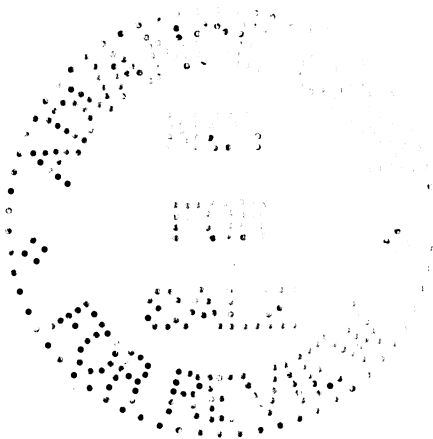
**THE MACMILLAN CO. OF CANADA, LTD.**  
**TORONTO**

# AMERICAN WORLD POLICIES

BY

WALTER E. WEYL

AUTHOR OF "THE NEW DEMOCRACY," ETC.



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**PART I**  
**OUR IDEALISTIC PAST**





# AMERICAN WORLD POLICIES

## CHAPTER I

### AMERICA AMONG THE NATIONS

THE Great War has thrown America back upon itself. It has come as a test and challenge to all our theories. Suddenly, yet subtly, it has shaken our optimism and undermined our faith in the peaceful progress of humanity. Our isolation is gone, and with it our sense of security and self-direction. Americans, who a few days ago would have dared to abolish army and navy as a supreme earnest of good faith, reluctantly agree to arm. "Self-defence," they now say, "comes before progress. We must lay aside our hopes of a world at peace and must guard our gates."

Doubtless there is some exaggeration in our change of mood. Men speak as though a miracle had swept away the Atlantic Ocean, leaving us stranded on Europe's western shore. Fortunately the Ocean, always America's ally, still lies there, narrowed and curbed, yet three thousand miles of storm-swept water. Physically and morally, however, our isolation has dwindled. Dreadnaughts, submarines and airships can now reach us and our commerce, industry and national ambitions are interwoven with those of Europe. We shall never again stand aloof from the world.

To Americans this change has come so suddenly, though it has been long preparing, that we fail to visualise the new situation. We glibly repeat that our isolation is gone, but do not ask ourselves what is the nature of the bond that has ended our isolation. Is it amity or enmity? Are we to become one of a dozen clutching, struggling, fighting nations, seeking to destroy each other, or are we to contribute to a solution of the problems that now divide nations into warring groups? Though our isolation is gone, we still preserve a latitude of action. We may choose between two foreign policies, between Nationalistic Imperialism and Internationalism. We may elect to fight for our share of the world's spoils or to labour, and, if necessary, to fight for a world peace and for just international relations, upon which alone a permanent peace can be based.

Such a choice involves for Americans the main trend of our civilisation; for Europe it is hardly less vital. Our influence upon Europe, like hers upon us, has grown with the shrinking of the earth's surface. Our bulk, our resources and our remnant of inaccessibility give us a weight in world affairs far in excess of our military power. We are advancing in population, wealth and general education, and our future progress in these directions is likely to be more rapid than that of Western Europe. Moreover we are the only strong nation not tied up in existing international enmities. Our hands are unbound. How we shall act, therefore, whether we shall add to the complications of Europe or aid in disentangling them, is a world as well as a national problem.

In the main such national determinations are dependent upon great economic forces, acting upon the nation from within and without. These economic-forces, however, do not work upon stones but upon those loose bundles of in-

instincts, reactions, ideals and prejudices that we call men. We need not dig deep into American history to uncover the human elements that will influence our decision. On the surface of our life appear two strong tendencies pulling in opposite directions.

It is easier to describe than to define these tendencies. The first we might perhaps call pacifism, liberalism, humanitarianism, democracy, though none of these words exactly defines the generous, somewhat ineffectual, peace ideal, which has grown up in a democratic people with no hostile neighbours. At this moment by the light of the European camp-fires we are likely to belittle this easy doing-nothing idealism. We find our idealists prosaic. They are not gaunt fanatics consumed by their own passion, but hard-working, self-respecting, religiously inclined men, asking good prices and high wages, eating good food, wearing good clothes and perhaps running a Ford automobile. To some of these meliorists, Europe seems almost as distant as China, but towards the peoples of both places they preserve a vague and benevolent missionary attitude. They want peace with Europe and peace for Europe, and would even be willing to pay for it, as they pay for relief for Belgium and Martinique. There is little passion in this good-will but there is even less hypocrisy. One may ridicule this cornfed, tepid idealism, but it is none the less the raw material out of which great national purposes are formed. The present desire of Americans for a world peace is no vaguer or more ineffectual than was the seemingly faint sense of the wickedness of slavery, as it existed in our Northern States in the days of the Missouri Compromise. Yet out of that undirected, crude and lukewarm emotion, there burst forth within a generation the white-hot flame, which consumed the detested institution and freed the millions of Negro slaves.

But not all Americans are idealists even of this commonplace sort. In our ultra-keen capitalistic competition we have evolved an American of different type. Self-centred, speculative, narrow, measuring success by the dollars gained and spent, this individualist has a short way with idealisms and larger ends. To him our involuntary *rapprochement* with Europe is an opportunity not for service but for gain. War is good or bad as it is profitable or the reverse. He is a realist, as is the mole, attached to the earth and not worrying about the skies. His ideal is that of a selfish nation dominated by selfish, social classes.

Here then we have the two Americanisms, both of them native and redolent of the soil, both vital and growing. Both have appeared in many of our national controversies, in the Philippine question, in Porto Rico, in our relations with Mexico. The one is liberal, democratic, often visionary, though confident because many of its visions have come true; the other is concrete, short-sighted, intense but with a low moral sensibility. Each appeals to a patriotism formed in the image of the patriot.

It is upon this divided America that there comes the sense of the impinging of Europe. These men of two opposed types (with innumerable intermediate variations) suddenly perceive that the great war is being fought not only near our shores but even within our borders. They dimly perceive that the war is but an incident in a greater, though less spectacular contest, that it is in reality a phase of a long drawn-out economic struggle in which we too have blindly played our part. To both groups, to all Americans, the war comes close. It is being fought with motives like our motives and ideals like our ideals. It is a conflict which proves to us that international peace is still very far from attainment. War on a scale never before known: war — deliberate, organised, scientific —

fought by combatants and noncombatants alike, reveals itself as one of the central facts of our modern life, a fact not to be ignored or preached or argued away, a fact which for us on this side of the ocean, whatever our instincts and our philosophies, has its deep and permanent significance.

Our changed relation to this central fact of war constitutes one of the gravest problems that we face to-day. Growing up in a peaceful environment we had imbibed the idea that war was a thing alien to us, monarchical, European. We had come to hold that a nation could avoid war by not desiring it, by not preparing for it, by minding its own business. We believed that what share in the world we had and wanted was what every reasonable nation would willingly concede us, and if certain powers proved refractory and unreasonable — a most improbable contingency — we could always send forth our millions of minute men, armed with patriotism and fowling-pieces. With European conflicts we had no concern; we might deplore the senseless brutality of such wars, but need not take part in their conduct or in their prevention. In due course Europe would learn from America the lessons of republicanism, federalism and international justice and the happiness and wisdom of an unarmed peace. Our-selves unarmed, we could peacefully wrest the weapons from Europe's hand.

The sheer, unthinking optimism of this earlier American attitude ended abruptly on the outbreak of the present war. It is not surprising that our first reaction towards this war, after its full sweep and destructiveness were visible, was one of fear. If a peaceful nation like Belgium could suddenly be overrun and destroyed, it behooved us also to place ourselves on guard, to be ready with men and ships to repel a similarly wanton attack. The result was a demand for preparedness, an instinctive demand,

not based on any definite conception of a national policy, but intended merely to meet a possible, not clearly foreseen, contingency. The whole preparedness controversy revealed this rootlessness. It was in part at least an acrid discussion between careless optimists and unreasonable scare-mongers, between men who held positions no longer tenable and others who were moving to positions which they could not locate. Our ideas were in flux. Whether we should arm, against whom we should arm, how we should arm, was decided by the impact of prejudices and shadowy fears against an obstinate and optimistic credulity.

Nothing was more significant of the externality of these debates than the fact that they seemed to ignore everything that we had cared about before. The case for armament was presented not as a continuation of earlier national policies but as a sort of historical interlude. Past interests were forgotten in the insistence upon the immediate. Until the war broke in upon us we had been groping, both in foreign and domestic policies, towards certain forms of national expression; arbitration, international justice, democracy, social reform. Throughout a century, we had believed that we had blundered towards these goals, and that our history revealed an aspiration approaching fulfilment. We had settled a continent, built an ordered society, and amid a mass of self-created entanglements, were striving to erect a new civilisation upon the basis of a changed economic life. Now it was assumed that all this stubbornly contested progress was forever ended by the conflict engulfing the world.

This whole idealistic phase of American life was disparaged by our sudden ultra-patriots. These men, with a perhaps unconscious bias, opposed their brand new martial idealism to what they falsely believed was a purely ma-

terialistic pacifism. Actually both advocates and opponents of increased armaments were contending under the stress of a new and bewildering emotion. For decades we had concerned ourselves with our own affairs, undisturbed by events which convulsed Europe. But the present war, because of its magnitude and nearness, had set our nerves jangling, excited us morbidly, dulled us to horror and made us oversensitive to dread. We read of slaughter, maiming, rape and translated the facts of Belgium and Servia into imaginary atrocities committed against ourselves. We wanted to be "doing something." Not that we wished war, but rather the chance to rank high according to the standards in vogue at the hour. While hating the war, we had insensibly imbibed the mental quality of the men who were fighting. We were tending to think as though all future history were to be one continuing cataclysm.

For the moment, like the rest of the world, we were hypnotised. Upon our minds a crude picture had been stamped. We were more conscious of peril than before the war, though the peril was now less. Our immediate danger from invasion was smaller than it had been in June, 1914; yet while we were perhaps foolishly unafraid in 1914, in 1916 we trembled hypnotically.

It was to this state of the American mind that all sorts of appeals were made. Those who wanted universal conscription and the greatest navy in the world argued not only from dread of invaders but from the necessity of a united nation. They wanted "Americanism," pure, simple, undiluted, straight. There was to be no hyphen, no cleavage between racial stocks, no line between sections or social classes. America was to be racially, linguistically, sectionally one.

It was an ideal, good or bad, according to its interpre-

tation. A more definitely integrated America, with a concrete forward-looking internal and foreign policy, could aid disinterestedly in untying the European tangle. In the main, however, the demand for Americanism took on an aggressive, jingoistic, red-white-and-blue tinge. Out of it arose an exaggerated change of mood toward the "hyphenate," the American of foreign, and especially German, lineage. Newspapers teemed with attacks upon this man of divided allegiance.

In other ways our agitation for a United America took a reactionary shape. Though a pacific nation, we experienced a sudden revulsion against pacifism and Hague tribunals, as though it were the pacifists who had brought on the war. Contempt was expressed for our industrialism, our many-tongued democracy, our policy of diplomatic independence. Those most opposed to Prussianism, as it has been defined, were most stubbornly Prussian in their proposals. We heard praises of the supreme education of the German barracks, and a clamour arose for universal service, not primarily industrial or educational but military in character. A decaying patriotism of Americans was deplored quite in the manner of Bernhardt. More than ever there was talk of national honour, prestige, the rights of America. Our former attitude of abstention from European disputes was called "provincial," and we were urged to fight for all manner of reasons and causes. Even though we cravenly desired peace, we were to have no choice. An impoverished Germany, beaten to her knees, was to pay her indemnity by landing an army in New York and holding that city for ransom. Around such futilities did many American minds play.

All this appeal would have been more convincing had it not been most insistently urged by influential financial groups. The extent of certain financial interests in large



armaments, in a spirited foreign policy and in other widely advertised new doctrines, was obvious. The war had built up a vast armament industry, war stocks had been widely distributed, and upon the advent of peace these properties would shrink in value unless America made purchases. More important was the complex of financial interests, likely to be created in Latin America and elsewhere. Speculators were dreaming of great foreign investments for American capital. We were to become a creditor nation, an imperialistic power, exploiting the backward countries of the globe. We were to participate in international loans, more or less forced, and to make money wherever the flag flew. For such a policy there was needed the backing of a patriotic, united, disciplined and armed nation, and to secure such arms, any excuse would suffice.

At the most, of course, these financial adventurers were merely leaders in a movement that arose out of the peculiar conditions of the moment. The roots of our sudden desire for armament and for an aggressive foreign policy ran far deeper than the interests of any particular financial group. A sense that American ideals were in peril of being destroyed by a new barbarism impelled us to new efforts. We dimly perceived that we must solve new problems, accept new responsibilities, and acquit ourselves worthily in new crises.

The most obvious result of this campaign for preparedness was a largely increased expenditure for armies and navies. Its deeper significance, however, lay in the fact that it marked the end of our former theory that war can be ended by precept and example and that no nation need fear war or prepare for war so long as its intentions are good. Hereafter the size and character of our national armament was to be determined in relation to the possibility of war with Europe and of war in Europe. The

campaign for military preparation is not ended. It will not end until some relation is established between our new armament and the national policy which that armament is to serve.

So long as these preparedness debates lasted we believed that the fundamental cleavage in American sentiment was between those who wished to arm and those who did not. Yet the proposal to increase the army and navy was defended by men of varying temperaments and opinions, by liberals and conservatives, by workmen and capitalists, by members of peace societies and representatives of the Navy League. As the first stage of mere instinctive arming passes, however, it suddenly appears as though the true cleavage in American thought and feeling runs perpendicular to the division between those who favour and those who oppose armament. The real issue is the purpose to which the arms are to be put. We may use our armed strength to secure concessions in China or Mexico, to "punish" small nations, to enter the balance of power of Europe or to aid in the promotion of international peace. We may use our strength wisely or unwisely, for good or for ill. We began to arm before we knew for what we were arming, before we had a national policy, before we knew what we wanted or how to get it. Our problem to-day is to determine upon that policy, to create out of the constituent elements forming American public opinion a national policy, determined by our situation and needs, limited by our power, and in conformity with our ideals. It is the problem of adjusting American policy to the central fact of international conflict and war.

As we approach this problem we discover that the two great elements in our population tend to pull in contrary directions. In the question of defence the one instinctively follows the lead of European nations, piling up

armies and navies and attempting to make us the most formidable power in the world; the second seeks by understandings with other nations to prevent disagreements and to avert wars. The first group emphasises American rights on "land and sea," the property rights of Americans, our financial interests in backward countries, and the military force necessary to secure our share; the second thinks of establishing international relations in which such rights may be secured to all nations without the constant threat of force. Both of these elements are national in the sense that they desire to preserve the country's interest, but while the first group envisages such interest as separate and distinct from others, to be defended for itself alone as a lawyer defends his client, the other sees the national interest in relation to the interests of other nations and seeks to secure international arrangements by which conflicting claims can be adjusted. The first element lays stress upon the legalistic attitude, upon our honour, our rights, our property; the second is less jingoistic, less aggressive, less jealous in honour.

Which of these two elements in our population will secure the ascendancy and dictate our foreign policy, or which will contribute more largely to the decision, will be determined chiefly by the course of our internal evolution and especially by our economic development. Whether we are to go into international affairs to get all we can — concessions, monopolies, profits — will depend upon how great is the internal economic strain pressing us outward, upon whether our conditions are such that the gains from a selfish national aggrandisement will outweigh the large, slow gains of international co-operation. Ideals will also count, as will tradition and precedent. Even chance enters into the decision. If, for example, by some change in the internal affairs of Germany we are thrown into an alliance

with England, France and Russia, a direction will be given to our international policy which it may take years to change. The accident which found Admiral Dewey in Asiatic waters on a certain day in April, 1898, has not been without its influence upon the ensuing foreign policy of the United States.

For those who wish to use our armed forces to secure special advantages (trade, monopolies, fields for investment), the road is broad and clearly marked. They have only to do what other aggressive and imperialistic nations have done — prepare the means of fighting and threaten to fight either alone or with allies whenever a favouring opportunity offers. But for those of us who desire to make America an agency in the creation of international peace the problem is infinitely more difficult. Peace and internationalism cannot be secured by fervent wishes or piety but only by persistent effort and measureless patience. That for which men have sought in vain during so many centuries will not fall like ripe fruit into our laps.

Towards this goal of internationalism all that is best in America aspires. The American tradition points towards internationalism. Our early settlers, as also many of our later immigrants, came to these shores to escape political and religious warfare, and brought with them a broad humanitarian ideal, an ideal of peace, internationalism, freedom and equality. They also brought an antipathy towards those monarchical and aristocratic institutions, with which in America we still associate conceptions of imperialism and war. The simplicity and inherent equality of our frontier life, its self-government and its local independence, tended to reinforce our leaning towards a peaceful internationalism. Our large spaces, our ease of movement, our freedom from the militaristic and excessively nationalistic traditions of the European Continent influ-

enced us in a like direction, as did also the merging of many peoples into one nation. We were not disillusioned by any conflict with harder-pressed nations, desiring what we had or having what we desired. We believed vaguely in an inevitable beneficent internationalism, which would bring all nations into harmony and banish war from the world.

Actually our pacifists and internationalists have accomplished little, if anything, towards a realisation of this ideal. What has hampered them, apart from the overwhelming difficulty of the problem, has been the fact that they did not realise how distant was the goal towards which they were marching. Their approach to the problem was not realistic. They conceived of the World as a group of nations in all fundamentals like America and of peace as a process by which these other nations would approximate to the United States. The great solvents of war were democracy, education and industrialism. Democracy would take from the ruling classes the right to declare wars; education would destroy in the people the last vestiges of bellicosity and international prejudice, while industrialism would in the end overcome militarism, and turn battleships and howitzers into steam-ploughs and electric cranes. The triumphant progress throughout the world of democracy, education and industrialism would speedily bring about peace and a firm internationalism.

Unfortunately the problem of imperialism and war is far more intricate than this popular theory assumes. All these forces tend perhaps in the general direction of peace but they do not bring about peace automatically and in many cases actually intensify and augment the impulse towards war. Our present age of advancing democracy, education and industrialism has been, above all other periods, the age of imperialism, of exaggerated nationalism

and of colonial wars. Democratic peoples have not been cured of nationalistic ambition, and education, in many countries at least, has aided in the creation of an imperialistic and militaristic spirit. Even our unguided industrialism has not ended wars or brought their end perceptibly nearer. There is no easy road to internationalism and peace, and those who strive for these ends without understanding the genesis and deep lying causes of war are striving in vain.

If in America therefore, we are to contribute to the promotion of internationalism and peace, we must recognise that war is not a mere accident or vagary but a living thing growing out of the deepest roots of our economic life. It is not caused alone by human unreason, by the pride of individuals, the greed of social classes, the prejudices of races and nationalities, but is closely intertwined with those economic ideals upon which the best as well as the worst in our civilisation is reared. We had believed that industrialism and militarism were mutually opposed and that the factory would automatically destroy the army. To-day we see how each of these has entered into the spirit of the other and how each helps the other. The army is industrialised and the national industry is put upon a military, fighting basis. The same forces that impel a nation to develop its trade, increase its output, improve its industrial technique, also impel it to raise large armies and to fight for the things for which men work. To divorce economic ambition from the national aggression that leads to war will not be easy. It is a sobering task which faces those who wish to use America's influence in the cause of peace.

Whatever our course of action, however, whether we strive for an American imperialism or for internationalism, one thing is certain: it cannot be instinctive, fluctu-

ating, undirected. We cannot revolutionise our international relations with each new administration or with each change of the moon. Nor can we stay at home and, ignorant of the causes of war, content ourselves with a long-distance preaching of peace to the menaced nations of Europe. Each of the two courses open to us involves self-direction, valour and strength. If we are to enter upon a struggle for place, power and profits, we must prepare for a dangerous contest: if we are to labour for a new international harmony, for peace and good-will and the delicate adjustments without which these are but words, we shall also need courage — and infinite patience. Without knowledge we shall accomplish nothing. To enter upon an international career without a sense of the conditions underlying peace and war, is to walk in darkness along a dangerous path.

## CHAPTER II

### THE SKELETON OF WAR

To ascribe world events to the action of a single individual is a naïve yet persistent manner of thought. All over Europe men blamed the war upon a wicked Kaiser, a swaggering, immature Crown Prince, a weak-fisted Von Berchtold, a sinister Tisza, a childish Poincaré, an unscrupulous Sir Edward Grey, an abysmally astute Sasonof. We in America blamed everything on Von Tirpitz and the irrepressible Reventlow. In all countries, millions of men drifted helplessly toward a war, which they believed was due to the evil machinations of a man.

So long as the belief holds that one man can set the world on fire, there can be no reasonable theory of war or peace. It is a conception which makes world destiny a plaything, unmotivated in any large sense, accidental and incalculable. On the other hand, those who regard war as merely irrational, a general human idiocy, are equally far from any true approach to the problem. We are being deluged to-day with books and newspaper articles describing war as a reversion of mankind to a lower type, a betrayal of reason, a futile, revolting struggle, creating no rights, settling no problems and serving no useful purpose except, in Lord Salisbury's phrase, "to teach people geography." Let us be rational and adult, cry these authors, adjuring an insane world to return to its sanity.

No wonder that there is prejudice against this particular variety of abstract pacifism. It is a negative doc-



trine, anæmic and thin-haired, with a touch of gentle intolerance and a patient disregard of facts. It does not recognise the real motives to war, upon which alone a theory of peace may be based. It defeats itself because ultra-rationalistic. For if war, though irrational, has always been, would it not follow that man himself is irrational, that the fighting instinct is deeper than reason, and that to-morrow, as to-day, men will fight for the joy of killing? If this were true, pacifism might as well resign. In truth, this interpretation of war as a mere expression of man's fighting instincts is no more adequate than is the personal devil theory. War has outgrown the fighting instinct. It has become deliberate, businesslike, scientific. It demands sacrifices from those to whom fighting is an abomination. How many red-blooded warriors could the German Emperor or the French President have enrolled, had there been no appeal to national interest, duty, justice, indignation? War is won to-day by peace-loving men, who abhor the arms in their hands.

The closer we study its motives, incentives and origins, the more deeply do we find the elements of this problem imbedded in the very foundations of national or group life. War depends upon growth in population, emigration, the use of natural resources, agricultural progress, trade development, distribution of wealth, taxation. It is never unrelated to the economic web in which the people live their lives; it is seldom unaffected by the necessity of expanding and the opposition of neighbours, the desire for bread and the longing for luxuries. War and peace are functions of the national life, steps in national progress or retrogression. Peace and war are two paths leading often in the same general direction, and whether we may take one path or must take the other is often determined for us long before we reach this parting of the ways.

At first glance this economic or business side of war is obscured. We find tribes and nations fighting for women and heads and scalps, to please the gods, to destroy sorcerers, to slay heretics, to show prowess, and for other reasons which seem equally remote from an economic motive. A nation will go to war "to save its face," or to annihilate the "hereditary enemy," as well as to improve its position in the world. Yet these diverse human motives are related to, though not fully absorbed in, the omnipresent economic motive. The "hereditary enemy" usually is no other than the tribe or nation that blocks our way; the "gods" enjoin war against neighbours who occupy the lands we need or can furnish us tribute; the women, whom we capture, are tame and pleasant beasts of burden, who help to swell our numbers. As for pride and tribal vanity, which so often precipitate war, these are a powerful social bond, which by holding the tribe together permits it to conquer the things it needs. A war for prestige is often a war for economic gain once removed. There remains a residue of martial emotion, not so closely united with the desire for economic gain, but all these derivative motives do not prevent the economic factor from remaining preponderant. Remove the economic factors leading to war, give men more than enough, and the chief incentive to war disappears.

The modern historical trend has been towards a fuller recognition of the influence of this potent, though often disguised, motive to war. Historians are recognising that the mainspring of social action is not an emperor's dream or soldier's ambition, but the demand of vast populations for food, clothing and shelter, then for better food, clothing and shelter, and finally for the rights, privileges and institutions which will make such economic progress assured. Ancient war, which seemed so empty and causeless, is now

revealed as a half-conscious effort of human societies to adjust themselves to changing economic conditions. It is a struggle for bread. Indeed, so complete has been this change in our theories that we often exaggerate this economic influence, and speak as though no emotion save hunger impelled humanity. But such exclusion of other motives is not necessary to an economic interpretation. We can emphasise the influence of economic desires, which modern Americans and Germans share with ancient Greeks and Babylonians, while still admitting the influence of other factors. Race, creed, language, geographical position, increase national friendship or animosity. While these factors influence wars, however, they are less universal, if not less potent than is the economic motive.

The significance of this economic motive to war can hardly be overstated. If wars are in the main due to fundamental, economic conflicts, then we cannot end or limit war unless we discover some alternate way to compose such economic differences. We cannot hope that the human race will stop wanting things. Men have never lived like the lilies of the field, nor wished to live so. According to our every-day morality, wanting and getting are ethical and wise, and not-wanting is unethical and de-civilising. Our whole intricate, complex civilisation depends upon the physical well-being and the economic ambition of our populations, and morally, as well as physically, a beggared nation tends to decline. We may trace this degeneration of impoverished groups in some of our mountainous districts, where communities, shut off from the main productive energies of the nation, brutalise and decay. All the conditions of our life impel nations, like individuals, to advance economically, to fructify labour, to gain. If, however, the nation in its struggle for new wealth clashes with other nations, intent also upon gain, if

these mobilised, economic ambitions necessarily lead to destructive wars, then we must cease declaiming against war's immorality, and seek instead to discover whether economic readjustments cannot circumscribe or even prevent wars.

To a modern business man or to a city workman this theory of the economic cause of wars is not unsatisfactory. He may quite properly introduce more idealistic elements, a desire for independence, a love of conquest, the influence of personal prejudices, dynastic affiliations, racial antagonism and religious hatreds, but in the end he will apply to this business of war the same canons of judgment that he applies to his own business. "Whom does it pay? What is 'in it' for the nations or for classes or individuals within the nations?" And if you tell him that in the present war Servian hatred was intensified because Austria discriminated against Servian pigs, or that Germany was embittered because of Russian tariffs and French colonial policies, if you speak to him in these economic terms, you are immediately intelligible. Economic motive is one of the obvious facts of life.

It is the transcendentalists who interpret war in more idealistic terms. In every country, but especially in Germany, there is a whole school of historical and pseudo-historical romanticists, who defend war by elevating it high above the reach of reason. You cannot shake the convictions of such writers by an account of war atrocities, of slaughter, pillage, rape, mutilations and the spitting of infants upon lances, just as you cannot deter murderers by the sight of public executions. All these horrors are but a part of war's terrible fascination. "In war," writes the late Professor J. A. Cramb, one of the most eloquent of these war mystics, "man values the power which it affords to life of rising above life, the power which the spirit of man possesses to pursue the ideal." There is, and can be,

in his view, no *reason* for war; war transcends reason. In spite of its unreason, war, which has always governed the world, always ruled the lives of men, always uplifted the strong and deposed the weak, will remain beautifully terrible, immortally young. As in ancient days, in India, Babylon, Persia, China, Hellas and Rome, so to-day, men will choose "to die greatly and with a glory that will surpass the glories of the past." Men are always greater than the earthly considerations that seem to guide their lives. As patriotism ruled the hosts of Rome and Carthage, as the ideal of empire drove forth the valorous Englishmen who conquered India, so to-day, to-morrow and until the end of time high and noble ideas, far above the comprehension of mere rationalists, will impel men to war, "to die greatly."

It may seem importunate to reason with men upon a subject which they include among the mysteries, beyond reason. Yet if we analyse the instances, which Professor Cramb and others cite of wars waged for great ideal purposes, we stumble incontinently upon stark economic motives. Carthage and Rome did not fight for glory but for food. The prize was the fertile wheat fields of Sicily. There was nothing transcendental in the wars between Athens and Sparta, but a naked conflict for commerce and exploitative dominion. As for the British conquest of India, the "ideal of empire" was perfectly translatable into a very acute desire for trade.

We shall make little progress unless we understand this business or economic side of war, for to see war truly we must see it naked. All its romanticism is but the gold lace upon the dress uniform. The idealism of the individual is a mere derivative of those crude appetites of the mass that drive nations into the conflict. Wherever we open the book of history, and read of marching and counter-marching, of

slaughter and rapine, we discover that the tribes, clans, cities or nations engaged in these bloody conflicts were not fighting for nothing, whatever they themselves may have believed, but were impelled in the main by the hope of securing economic goods — food, lands, slaves, trade, money.

It is a wide digression from the immediate problems of our closely knit world of to-day to the blind, animal instincts that ruled the destinies of endless successions of hunting tribes, exterminating each other in the savage forest. Yet among hunting tribes, at all times, the raw conflict of economic motive, which we find more decently garbed in modern days, appears crude and stark. To kill or starve is the eternal choice. Since population increases faster than food, war becomes inevitable, for the tribe that hunts on *our* land, and eats *our* food, is our hereditary enemy. To pastoral nations, war is equally necessary, unless babies and old people are to be ruthlessly sacrificed. To fill new mouths larger flocks are necessary, to feed larger flocks new pastures are required; and there is only one way to obtain fresh pastures. There comes a period of drought, and the hunger-maddened nation, accompanied by its flocks, hurls itself suddenly upon feebler agricultural peoples, destroying empires and founding them. These are the great *Völkerwanderungen*, the restless migrations of mobile pastoral nations in search of food. It is the eternal bloody quest.

Nor are agricultural populations immune. Not only must they defend their patches of cultivated land, but, as numbers increase, must strike out for new lands. When the growing population makes conditions intolerable, youths are chosen, perhaps by religious rites, to adventure, sword in hand, and carve out new territory or die fighting. There are always more than there is place for, and it is always possible for a young Fortinbras to shark up “a list of

lawless resolute for food and diet, to some enterprise that hath a stomach in 't." All the interminable battling of the early Middle Ages reveals this effort of fecund agricultural populations to solve the problem of over-breeding by slaughter.

Even the Crusades partake of this economic character. Among the Crusaders were exalted souls, who wished to rescue their Lord's sepulchre, but there were many more who dreamed of free lands, gold and silver, and the beautiful women of the Orient. The religious motive was present; it was strong and intolerant, though it did not in the later Crusades prevent Christians from attacking Christians. At bottom, however, certain strong economic factors forced on the struggle. There had been famine in Lorraine and pestilence from Flanders to Bohemia, and all the discontent, hunger and ambition of western Europe answered to Urbano's call. "A stream of emigration set towards the East, such as would in modern times flow towards a newly discovered gold-field — a stream carrying in its turbid waters much refuse, tramps and bankrupts, camp-followers and hucksters, fugitive monks and escaped villains, and marked by the same motley grouping, the same fever of life, the same alternations of affluence and beggary, which mark the rush for a gold-field to-day."<sup>1</sup> Not until it was seen that they no longer paid did the Crusades end; not heavenly but earthly motives inspired most of these soldiers of Christ. It was business, the business of a crudely organised, over-populated, agricultural Europe.

Even with the development of commerce, the motive does not change in character, though its form becomes different. All through history we find maritime cities and states fighting for the control of trade routes, the exploitation of

<sup>1</sup> Ernest Barker, *Crusades*. *Encyclopedia Britannica*, Eleventh Edition, Vol. VII, p. 526.

markets and peoples, the right to sell goods and keep competitors from selling. Athens, Venice, Genoa, Pisa, Florence, Holland, England — it is all the same story. Undoubtedly, with the development of commerce, wealth takes a new form. Land is no longer the sole wealth, and successful warriors need no longer be paid in land and live off the land, as they are forced to do in every feudal society. A money economy, a conversion of values into money, changes the technique of war by creating professional mercenary armies. But the business goes on as before. Rival groups fight for a monopoly of trade as they once fought for land. There is still not enough to go around, and no way of deciding between rival claimants except by the arbitrament of war.

Perhaps it will be objected that an analysis of war such as this leaves us merely with the dead body of facts while killing the soul of truth. Surely, it may be urged, war is more than a sordid calculation; a Roland or Bayard does not weigh his danger against booty. Of course that is so. Economic motive is only the skeleton of war; the flesh and skin are of a totally different texture. Idealism, nobility, heroism exist in war, and are no less sincere because based upon the gross facts of economic necessity and desire. Without such idealism, manufactured or evolved, you can no more win wars, especially in these latter days, than without ammunition. Idealism is a weapon with which we kill our enemies. Yet if we read our history rightly, we shall find less of this luminous nobility among warriors than our annalists pretend. The Greeks of the Trojan War were not patriots but free-booters. Those great English sailors, Drake, Morgan and the rest, who ravaged the Caribbean and smashed the Spanish sea-power, were pirates, unashamed of their piracy. As for the heroic warriors of the Scotch border, would they not to-day be



jailed as cattle-thieves? Look where you will, at the great wars and at the blood-tracked colonising movements of history, and always you will find two kinds of men: the stone-blind idealist, and the crass, open-eyed, fleshly man. One fights for ideals, the other for something else worth fighting for. Both, however, are in reality impelled by economic motive, working upon them either directly and consciously, or transmuted into ideals through the medium of a people's thought.

Nor does this fighting for things, to be obtained only by fighting, involve moral turpitude. Nothing could be more grotesque than the moralistic tone in which we industrious moderns lecture the ancient fighting peoples. They did what we do, gained the things they wanted in the only way they could. Men will fight or work rather than starve, and whether they fight or work depends upon which, in the given circumstances, is the feasible mode of accumulation. Perhaps these peoples loved fighting and praised fighting more than we do. But as fighting was their *métier* and the measure of their success, their minds, like their muscles, became habituated, and their morality discovered virtue to be the thing at which the moralists were adept. Nothing can be wrong that is necessary to survival. Warfare is not immoral until there is an alternative.

Such an alternative might easily have arisen with the vast impetus given to accumulation by the discovery of America and of the new route to the East. But these events not only did not end but actually intensified war, while bringing out more sharply its preponderatingly economic character. For three generations Europe was enmeshed in the Italian wars, in which great rival nations sought to control Italian wealth and the dominion of the Mediterranean. There followed the so-called religious

wars, in which Sweden played for control of the Baltic, Holland for the East Indian colonies, and England for trade supremacy, while Catholic France, to strengthen her position at the expense of Austria, came to the aid of Protestant Germany. For another century, from the Peace of Westphalia in 1648 to the Peace of Paris in 1763, there was a succession of commercial wars, in which England wrested from Holland and then from France the mastery of the sea as well as the control of Asia and America. During all this period the rising commercial classes of England were brutally "upon the make." Markets were gained in America and valuable commercial rights obtained from Portugal, while in the famous contract, known as the "*Assiento*," English merchants secured from Spain the lucrative privilege of shipping one hundred and forty-four thousand negro slaves to the Spanish colonies of America. Of such was the texture of the complex European diplomacy that held the world in war.

In all these conflicts there was precious little idealism. The astute councillors of Elizabeth, of James, of Louis XIV, did not waste their august sovereign's time upon discourses concerning Britain's honour and the grandeur of France, but talked trade, privileges, monopolies, colonies to be exploited, money to be made. So too the Napoleonic Wars, those great conflicts between democracy and absolutism, reveal themselves as a continuation of the commercial wars of the eighteenth century. It was all the same process, the ranging of the nations, as formerly of tribes and of cities, for the conquest, first, of the means to live, and, second, of a preferred economic position in the world.

Such is the business of war, and it is the oldest business in the world. It is aided by patriotism, prejudice, uncharitableness and a whole calendar of ugly tribal virtues,

which enjoin us to love the means by which we get and hate the men from whom we take. It is aided by racial scorn, a thing as deep as life, yet subject on the whole to that more impelling factor, economic motive. The history of war and peace is a history of the overriding of sentimental considerations by imperious economic needs. During the Revolutionary War, no love was lost between the rigid, race-conscious Englishman and the despised red-skin, yet both joined hands to scalp Americans in the lonely settlements along our frontier. To-day German and Turk, Italian and Russian, Frenchman and Senegambian, Briton and Japanese, love each other at least temporarily because pursuing like interests. Not that the influence of race and nationality upon those mutual repulsions which lead to war can be brushed aside in a paragraph. They are potent modifying factors, with a certain independence of action and serving, with regard to economic motives, as accelerators, intensifiers or, to change the illustrations, as containers. Yet it is no great exaggeration to say that no racial antagonism can wholly sunder allies joined by a vital economic bond, and no racial sympathy firmly unite nations who want one indivisible thing. The "Anglo-Saxon cousins" now live in concord, but not solely because they are Anglo-Saxons. As for religious differences which have in the past so often exacerbated the war spirit, this influence is less than appears. Even the godly live on bread and butter. The Protestant princes of the Reformation hated the Scarlet Woman because of the Real Presence, but they also hated her because of the golden stream that flowed from Germany to Rome. The English Reformation had less to do with Mistress Anne Boleyn than with the wealth of the monasteries. Especially among modern industrial nations, with their increasing theological

apathy, are religious differences of relatively small importance in determining wars. It is the economic motive which tells.<sup>1</sup>

Considering all these facts of history, so hastily reviewed, considering that in practically all countries and at all times economic impulses have tended to push men into war, is the conclusion forced upon us that we shall have war so long as we have economic desires, and that in the future mankind will continue to drag itself along a blood-stained path? Can we change in human nature that desire for material things, which has always been the great survival virtue of the race?

To many men the answer points to perpetual war. They believe that nations will fight so long as they are hungry, and they will always be hungry. War and birth are the twin immortals; there will always be more babies than can be fed and there will always be war. As well preach against death as against war, since the peaceful, abstaining nations are doomed to extinction and the war-like nations survive and determine the character of humanity. The meek nations do not inherit the earth. They go down in the ceaseless struggle between the living and the dying peoples.

During the last one hundred and fifty years, however, a more optimistic conviction has struggled for expression. The Industrial Revolution has enormously increased the wealth of the world, and has enabled over-populated industrial countries to secure their food from agricultural

<sup>1</sup> For a sketch of the economic influences bearing upon war, see the brilliant essay of Prof. Edward Van Dyke Robinson, "War and Economics in History and Theory," *Political Science Quarterly*, Vol. XV, pp. 581-622. Reproduced in "Sociology and Social Progress," compiled by Prof. Thomas Nixon Carver (1905), pp. 133-173. In the present chapter I have borrowed extensively from Professor Robinson's essay.

lands thousands of miles away. There has grown up a vast complementary trade between old and new countries, and even competing manufacturing nations find it profitable to trade with one other. The hope has therefore arisen that perhaps this war-breeding, economic motive may hereafter lead to peace and away from war. Admitted that peoples once had to fight, may it not in this New World of industry be "good business" to live and let live, to agree with your competitor, to trade amicably? May not the industrial transformations, undreamed of in past centuries, permit a world-population to live off its labour, immune from the necessity of killing? Have we not here an alternative to war?

The doctrine is that of *laissez-faire*, untrammelled competition, free trade. From Adam Smith down to the present day, it has been preached to us that each man's enlightened selfishness, unguided and unimpeded, will work out to the welfare of each society and to peace between all societies. The interests of nations in trade is held to be reciprocal. Buyer and seller both gain, so that England cannot prosper unless Germany prospers, and England cannot suffer without Germany suffering. You need not fight for commerce. Trade does not follow the flag but the line of greatest mutual advantage, as was shown, it is claimed, when Britain after losing political control of America doubled her commerce with America. It does not pay to fight for colonies, since colonials if left alone will buy in the cheapest and sell in the dearest market. With nothing to fight for, peace and prosperity will come with free trade, which the nations will adopt as soon as they perceive their own interests. There is no economic reason for warfare, which like other superstitions will vanish as men emerge from the darkness of ignorance.

It is a pacifying theory, and yet something seems wrong

with it. The optimistic forecasts have been belied; the nations have not acclaimed free trade, but rear tariff walls higher than ever. Nor do the nations abjure colonial expansion, but fight for colonies and "spheres of influence" and lands for "peaceful penetration," as tribes once fought for pastures, and cities for trade-routes. The national spirit, instead of succumbing to an era of peaceful individualism and cosmopolitanism, is stronger and more embittered than ever. Armaments pile up. Colonial disputes become more acrid, international jealousies more acute, until in the end we are cast into the pit of the long-dreaded World War. We do not know that this is the last World War. We are not sure that the same inveterate, millennium-old struggle for food, the same bitter "business" which has always meant war, is yet finished and done for.

Even if war does not cease, however, may we not at least be exempt from the scourge on this safe side of the broad Atlantic? Though it rains outside, may we not keep dry beneath our big umbrella? We Americans are accustomed to think of ourselves as a peace-loving, unaggressive people, envying no nation its dominion or wealth, and incurring the enmity of no nation. Let the peoples of Europe destroy themselves in ceaseless, insane conflicts, but let us, by keeping to our side of the ocean, save ourselves from slaughter as Lot was saved from the fate of Gomorrah.

It is not a noble caution that thus disregards the fate of the world and seeks only the national safety. Nor is it in truth a wise caution. Those who are too circumspect incur the greatest danger, and those who trust to their own unoffending reckon on a doubtful factor. Why should we alone, among the nations be exempt from economic forces, which drive peace-loving nations into war? Have we by our rapid expansion, to say nothing of our Monroe declaration and other pretensions, failed to give offence in a world,

in which mere having is aggression and mere growing a menace? Has our peace in the past been due to our own meekness and unaggressiveness, or has it been the gift of a fortunate economic condition, which may pass? Before we rely upon the continuance of a peace of mere isolation, we shall do well to inquire into the economic conditions which so long gave us peace.

## CHAPTER III

### PEACE WITHOUT EFFORT

To the average American of a few years ago the maintenance of peace seemed as natural and easy as breathing. Except for our brief and episodical conflict with Spain we had had no war with a European Power for a hundred years and we saw no reason why we should go to war in any of the coming centuries. Peace was merely an abstention from war, a not doing something, which we had no desire to do. We had no reason to provoke war, no foreign nation had a legitimate grievance against us. In any case we were inherently different from Europe. We were peaceful while Europe was war-like. So long as we tended to our own affairs — and that was our intention — peace was assured.

Believing thus in our intrinsic peacefulness, it was in no spirit of humility that we met the outbreak of the Great War. We did not put ourselves in the place of the fighting nations, and acknowledge that in their circumstances we too might have been struggling in the dust. Rather we boasted of our restraining democracy, and of our perfect co-operative union, which protected us from the European anarchy. We, a people unassailed, talked loudly of our superior merit, and, as we looked over the broad oceans and saw no enemy, thanked God that He had not made us as other nations. Our compassion for the peoples of Europe was tinged with a bland, self-righteous arrogance.

It is not pleasant to-day to read the homilies which



America, during those early months of the war, preached to unheeding Europe. Throughout runs a note of subdued self-exaltation. We, the Americans, so ran the boast, are not ruled by Kaiser or Czar, and cannot be stampeded into war against our will. We do not extend our national territory by force. Of all nations we are the one that has best compounded economic differences and best dissolved racial hatreds. We live in amity with all the world, and with piety preach our lessons to the war-mad races. How fundamentally insolent, though well-intentioned, was this message of one of our leading citizens to Germany. "The American people cry with one voice to the German people, like Ezekiel to the house of Israel: "Turn ye, turn ye, from your evil ways; for why will ye die?'"

Even in our churches we made the same unconscious boast. On Sunday, October 4, 1914, at the request of the President of the United States, millions of Americans went down on their knees, and prayed God no longer to scourge the peoples of Europe. It was a sincere prayer, evoked by real compassion. Yet nothing could more clearly have revealed our moral detachment, our obliviousness to the fact that the passions which brought forth this war were human, not European passions. We, the virtuous, interceded for the vicious; our prayer was "deliver *them* from evil." With malice toward none, with charity towards all, envying no nation its treasures, content to enjoy in peace what God had given us, America folded its hands in prayer.

To a sceptical European, accustomed to the cant of international protestations, this boasted peacefulness of ours seems suspicious. "Have you," he might ask, "always been peaceful? Did you not fight England, Mexico and Spain? Have you not taken advantage of your neighbours' necessities?" Such a European might not regard

Americans as a nation, divinely appointed to bring peace to a world rent by war. He might not acknowledge that we are more law-abiding than other peoples, freer from race hatreds, gentler towards the unfortunates of our own race. He might point to our lynchings and riots; to our unpunished murders of Chinese, Italians and Mexicans; to the system of repression, by which the Southern whites terrorized the freedmen after the Civil War. If Europe did not solve the Balkan problem in peace, did Americans end slavery without resort to arms?

We may not like these imputations, but it would be hard to deny that in certain national crises we have not been impossibly virtuous. We have not always subordinated our national interests to the ideal of setting a righteous example. What we wanted and could get we got, whether it was Florida, Texas, California or Panama. We were not above the twisting or even the breaking of a treaty, we did not discourage filibustering expeditions too rigorously, and we were never, never meek. Thus in 1818, to take a single example, we addressed to Spain a polite communication in which we asserted that "the United States can as little compound with impotence as with perfidy, and that Spain must immediately make her election, either to place (an adequate) force in Florida or cede to the United States a province, of which she retains nothing but the nominal possession." Many of our communications to Mexico, Chile, Spain, and even England were equally arrogant.

The truth is that our peace has been a peace of circumstances, due to a favouring geographical and economic situation. Our peacefulness came down to us like our rivers, farms and cities, a heritage of exceptional conditions. We were inaccessible to European armies. We were supreme on a fertile, sparsely settled continent. We could afford peace. Our resources were immensely great and if

we did not reach out for more, it was because we already had as much as we could handle. What we did need we could take from weak peoples, and a nation which fights weak peoples need not be martial, just as a man who robs orphans need not be a thug.

It might have been different. Had our Westward progress been opposed by millions of Indians, had France been able to resist our march beyond the Appalachians, or Mexico stood like a disciplined Germany between us and the Westward Ocean, we should have developed a military civilisation. As our growing population pressed upon our narrow frontiers, we should have had our war scares, our border conflicts, our national hatreds, our huge standing army, and the whole paraphernalia of militarism.

Still another element, besides our geographical isolation and our economic self-sufficiency, contributed to our intactness and security and permitted us to indulge in the luxury of pacifism. Europe protected us from Europe. We were one and the European Powers many. So delicate was the balance that the European nations could not hazard a really serious trans-Atlantic venture. They had little to gain and much to lose by fighting us, as we had nothing to gain by fighting them. Our interest in such European affairs as the independence of Greece, Hungary and Poland was purely sentimental. Towards Europe we were peaceful as we were peaceful towards Mars. True, our safe orators delighted in twisting the lion's tail and upbraiding the Czar of all the Russias. During the eighty-three years between 1815 and 1898, however, we were never at war with a European nation.

It was not that we loved Europe too well. England we detested and hardly a decade passed without some acrid boundary dispute. We thought her arrogant, greedy, supercilious, and she thought us arrogant, greedy and

coarse. Millions of Irish immigrants intensified this animosity and our national vanity did the rest. But though we hated England she was too formidable to be attacked. Therefore we bluffed and she bluffed, and in the end we compromised.

With other countries it was still easier to keep at peace. Prussia, Austria and the smaller German states were too distant to affect our interests. For Russia we had a vague attachment, and except on one occasion, she never threatened our ambitions. With France we were on good terms except during our Civil War. We disliked Spain and despised her, but events prevented our going to war with her.

It was because it paid that we kept at peace; any other policy would have been wasteful, even suicidal. Our future depended upon our ability to keep out of war. A sparse population on the edge of a vast continent, our hope of national success lay in an isolation, which would give us strength for future struggles. Our mission was to settle the empty lands to the West before other nations could preempt them. To embroil ourselves with strong powers was to court disaster, while even to interest ourselves in European politics would divert our mind from our own imperative task.

Our first American foreign policy, therefore was disentanglement. We often speak as though America passively abstained from entering European politics. We were, however, already a part of the unsteady balance of power, and warring France and England sought our aid, much as the two coalitions might seek the aid of a Bulgaria, not loving her but needing her help. It was a bold and above all a positive policy that Washington established when he broke the French treaty and declared our neutrality. Though denounced as dishonourable, this policy was essen-

tial to our welfare and peace, for the country was more dangerously divided in 1793 than in 1916.

How intimately our peace has depended upon our economic development is revealed by the early failure of this policy of disentanglement. Prior to 1812 our immediate economic interests overhung our territory and transcended our sovereignty. All Europe being at war, we were the neutral carriers of the world. Our ships brought merchandise to France from her colonies and allies, and goods from the West Indies and South America to all parts of Europe. In the decade ending 1801 our foreign trade, which was dependent upon the indulgence of Europe, more than quadrupled. The profits on our carrying trade were immense. Our shipbuilding industry increased, and not only were orders filled for our own foreign trade but many ships were manufactured for export. The prices of agricultural products almost doubled and our meat, flour, cotton and wool found a ready market in Europe. Our prosperity depended upon this newly created foreign trade. Sail-makers, ship-builders, draymen, farmers, merchants were dependent upon a trade which menaced the commercial supremacy of Great Britain and upon which even France looked with jealous apprehension.

It was this conflict of our interests with those of a stronger nation that brought on the bitter controversies with Great Britain, and resulted in the tedious war of 1812. We were more dependent upon Europe than Europe upon us, as was shown by the fiasco of our Embargo policy. England, determined to kill our commerce, would have fought many years to accomplish this purpose. But it did not prove necessary. Our commercial progress, that had been merely an incident in a European war, lessened after the peace. For us this was fortunate. Our future lay in our own continent, and not on the high sea where as

a relatively weak nation, we should have been forced to compete with the world and war continually with England.

To-day, one hundred years later we are still pacific, because of the direction taken by our economic development since 1815. While we developed agriculture, constructed turnpikes, canals and railroads, manufactured for the home market, and filled up the country from the Appalachians to the Pacific, our American-borne commerce and our ship-building declined; by 1846, our American tonnage in foreign trade was less than in 1810. But the profits of this carrying trade were no longer necessary, since in exchange for our imports from Europe we could now export cotton. We were no longer competitors with Europe, but had become contributors to European prosperity. Prior to 1815 England looked upon us as a commercial rival; after 1815 we became the unconscious economic allies of all the industrial nations.

The extent to which our economic system had become complementary to the European economic system is illustrated by a study of the statistics of our foreign commerce. Of our exports one-half was raw cotton, and upon a steady supply of this fibre a great European industry depended. Later we shipped huge quantities of food which was also needed by the manufacturers across the sea. As our cotton area extended, as our wheat and meat exports increased, European, and especially British, industry profited. At the same time, despite our high tariffs we furnished an increasing market for wares manufactured in Europe, while our own manufactures did not largely compete in the world markets. Moreover the rapid development of our internal resources furnished lucrative investment opportunities to European capital. A source of raw material, a market for manufactured products, a field for profitable investment,

America was Europe's back-yard, an economic colony, though politically independent.

In the midst of this almost colonial development, there occurred one startling interlude. About 1840 we developed a new type of sailing vessel, the American clipper ship. Soon we had control of the China trade and by 1861 our shipping (including domestic trade and the fisheries) about equalled that of Great Britain. After the Civil War, however, our chance of competing with Great Britain either in ship-building or carrying disappeared. The iron steamship had arrived, and, in the manufacture of such vessels, we were no match for the English. Even without the Civil War we should have been beaten; the Southern privateers, outfitted in English ports, merely hastened an inevitable decay. We were not yet to enter upon a competition with England for commercial supremacy.

There being thus no economic basis for war our outstanding questions with European nations, and with England especially, were peacefully settled. The Canadian fisheries and the Maine boundary dispute gave rise to much bitter feeling but were not worth a war. Even the Monroe Doctrine did not bring on a clash. Though Great Britain hated its assumptions she was content with its practical workings. What the United States gained was immunity from the settlement of Latin America by powerful military nations; what England gained was a profitable trade (denied her by Spain) together with opportunities for investing capital. The immediate force behind the Monroe Doctrine was the self-interest and naval power of a nation, which did not recognise the doctrine.

Our westward expansion, which obliterated boundaries and overran the possessions of other powers, also failed to bring war with Europe. Doubtless this expansion was not

entirely welcome to France, England and Spain. But just as Napoleon, though dreaming of a French Empire on our western border, had been compelled to sell us Louisiana to prevent its falling into British hands, so later England resigned herself to our almost instinctive growth. It was believed in the forties that England not only wished to prevent our acquiring California but desired the territory for herself, and it was known that her interests in Oregon were in the sharpest conflict with American claims. England would also have preferred that Texas remain politically independent of the United States and commercially dependent upon herself. Fortunately for us, however, an aggressive colonial policy, such as that which during the last forty years has partitioned Africa, was not yet popular in Europe. England was thinking in terms of free trade and commercial expansion, of a world rather than a colonial market. At bottom, moreover, this American expansion was to the relative advantage of Europe. When Spain was cajoled and worried into selling Florida; when Texas, and later California, Arizona and New Mexico were taken from a nation too weak almost to feel resentment, the result was a better use of the territory and a greater production of the things which Europe needed. If Europe was not to control these regions, it was at least better for her to have them pass to us rather than remain with Mexico. So long as we held politically aloof, sold Europe cotton and wheat, bought from her manufactured products and gave her the chance to invest in our railroads, so long as we did not compete on the sea or in the world markets, Europe, though she envied us our easy expansion, had no interest in opposing it by war. England would possibly have fought us had we taken Nicaragua and almost certainly had we taken Canada, but she was less concerned about the fate of Mexico, the chief victim of our expansion.



This complementary relation of ours with European nations was as useful to us as to them. Besides furnishing us with necessary capital Europe sent us immigrants, who made our march across the Continent rapid and irresistible. In the end this immigrant population contributed to our peaceful attitude. As the number of our alien stocks increased, the desirability of going to war with any European nation diminished. To get the immigrant's vote, we spoke highly, and in the end almost thought highly, of the nations from which they had come. By admitting the children of Europe we had given hostages to peace.

In the main, however, we paid no attention to Europe. We forgot about her. Lost in contemplation of our own limitless future, we turned our eyes westward towards our ever receding frontier. In foreign, as in home relations, we developed a frontier mind, and even to-day, long after our last frontier has been reached, we are still thinking of Europe, as of so many of our internal problems, in terms of this great colonising adventure. The individualist, who pushed his way across the continent, left on America the impress of a simple philosophy, a belief that there was a chance for all, that it was better to work than to fight, that arbitration and the splitting of the difference were the best policy. To the average American, with his frontier mind, wars seemed unnecessary, and all the class distinctions, inseparable from militarism, a mere frippery. Wars, he held, are for the crowded old peoples of Europe, with their dynastic superstitions, their cheating diplomacy, their ancient rancours, their millions of paupered subjects, condemned to a life of subordination. Wars are not for the free and equal Americans who live in the wide spaces of a continent and, having no neighbours, hate no man and fear no man.

It is out of this frontier mind that we have evolved our

present American notion of war and foreign policy. Peace is common sense; war, foolishness, a superstition like the belief in Kings, Emperors and Potentates, a calamity caused by the refusal of the petty European nations to join into one great United States. For it must be remembered that Americans, whatever their sentimental attachments, are really more contemptuous than are Germans of little nations that insist upon surviving. We ridicule the European customs barriers, which the express train strikes every few hours, and associate national greatness with territorial size. Even Great Britain, France, Germany and Austria are ignorantly regarded as "little nations," which would be all the better for a wholesome amalgamation. The frontier mind believes stubbornly that short of such a union, these "little" peoples should develop their own resources in peace. In other words, our attitude towards Europe, which is a result of our elbow room and our economic self-sufficiency, is vaguely missionary, with not the slightest tinge of hypocrisy. We have no concern with Europe and no duty to interfere, beyond expressing our belief in our own superior institutions and the hope that Europe will learn by our example.

The development of our manufacturing industries, until recently at least, did not alter these views concerning our proper attitude to Europe. The new industries, chiefly designed for a home market, made on the whole for peace. Nor did we need a foreign outlet for capital. No one wished to go to war for the dubious privilege of investing in Peru or China when our own iron mills, cotton factories and railroads were clamouring for capital, to say nothing of our farmers in Oklahoma and the Dakotas.

Psychologically, also, this self-poised industrialism, this domestic stay-at-home business of ours, which prevailed until a few decades ago, worked powerfully for peace.

We became a highly individualistic manufacturing nation, composed of millions of self-seeking, money-making men. As "business men" we hated wars as we hated strikes and whatever else "interfered with business." Our ideal was a strenuous life of acquisition, in which dollars were added to dollars, and the prosperity of all depended upon the bank account of each. Wars were like earthquakes and other interruptions of the ordained process of accumulation; you could no more win a war than you could win an earthquake. America's manifest destiny was to multiply and increase. We were to mind our own business and live in peace with neighbours, whom we did not know and rather despised. Since everything worth exploiting was in our own country, since Europe left us alone and had nothing that we were willing to fight for, we were free to ignore all foreign relations.

The diplomacy which accompanied and aided this development, though not heroic, was at least successful. It enabled us to grow strong and hold strong enemies away. Not always consistent, not always able, not always honest, our diplomacy maintained a certain unity, kept us aloof from European quarrels, guarded us from threatened intervention during the Civil War crisis, warned Europe against the conquest of Latin America, and above all — permitted us to grow. From 1815 to 1898 our population increased from eight to seventy-two millions, while that of the United Kingdom increased only from some twenty to forty-one millions and that of France from twenty-nine to thirty-nine millions. Our wealth increased at a more rapid rate than that of any other nation.

Small wonder that in the last decades of this period our diplomacy sank to the lowest level of incapacity. Having grown strong without Europe's aid or hindrance, having reached that pleasant degree of independence in which

diplomacy seemed a mere international formality, we came to believe that the best diplomacy was none at all. We did not require in our ambassadors knowledge or astuteness; any fool would do. Our diplomats were often despised, but since we were not dependent upon Europe's favour, it did not matter. Economic forces, stronger than the diplomats of all the world, were making for peace between America and Europe.

But even while we were sending political adventurers to some of the great capitals of Europe, a change was impending. All at once the United States found itself at war with a European power, and, a few months later, in surprised, not to say embarrassed, possession of tropical Asiatic Islands. Suddenly we discovered that we were feared and disliked; that there were points of controversy between us and various European countries; that Europe somehow did not regard the Monroe Doctrine as a divine dispensation, which it would be impious to oppose. We heard talk of international competition, World Power, "the American Menace." Beneath the surface there appeared indications that our long mutuality of economic interest with Europe was no longer complete. The easy instinctive peace which had enabled us to attain our ends without considering Europe seemed about to end.

## CHAPTER IV

### AN UNRIPE IMPERIALISM

It was in the year 1898 that the United States made its earliest plunge into imperialism. Then for the first time we secured "dominions beyond the sea"; dominions too thickly populated to be adapted for purposes of colonisation. By our earlier conquests and purchases (Louisiana, Florida, Texas, California, New Mexico), we had secured relatively empty territories which a flow of emigrants from our Eastern States could rapidly Americanise. But in Porto Rico, the Philippines and Hawaii, there was neither prospect nor intention of colonising. The impulse that led to their taking was the desire to possess their wealth, to rule and "civilise" them, and above all not "to haul down the flag." It was an impulse not very different from that which led to the European partition of Africa.<sup>1</sup>

The change in our policy was startling. We had seemed, after the Civil War, to have reached a stage of satiety, to be through with expansion. Henceforth the ocean was to be our boundary; we were not, like the slave-owners before the war, to scheme for new lands in Central

<sup>1</sup> "Early in the year 1901, a foreign ambassador at Washington remarked in the course of a conversation that, although he had been in America only a short time, he had seen two different countries, the United States before the war with Spain, and the United States since the war with Spain. This was a picturesque way of expressing the truth, now generally accepted, that the war of 1898 was a turning point in the history of the American republic."—"The United States as a World Power," by Archibald Cary Coolidge. New York, 1912.

America and the Caribbean. When in 1867 Russia offered us a territory almost three times as large as Germany for a sum about equal to the value of the Equitable Building, we accepted only to oblige Russia and because we believed that we were in honour bound to buy. We refused to purchase St. Thomas and St. Johns, although Denmark offered to sell cheap, and we declined to annex San Domingo or to entertain Sweden's proposal to purchase her West Indian possessions. Again in 1893, instead of annexing Hawaii, we vainly sought to bolster up the sovereignty of a native Queen. Then suddenly Porto Rico, the Philippines and Guam were annexed; Hawaii was incorporated and Samoa was divided up with Germany.

In part this change in foreign policy was due to military considerations. The possession of Hawaii, Panama and Guantanamo in Cuba was obviously necessary for the defence of our coasts. Just as the Monroe Doctrine was intended to protect us from the approach of great military powers, so these new acquisitions were desired to pre-empt near-lying bases, from which, in enemy possession fleets might assail our trade or cut off our communications.<sup>1</sup>

Such strategic considerations, however, do not explain the whole of our new imperialistic policy. Economic motives played their part. We changed our foreign policy because at the same time we were undergoing a commercial and industrial revolution.

As a result of this industrial change our merchants had begun to think in terms of foreign markets and our financiers in terms of foreign investments. We had passed

<sup>1</sup> For a study of these strategic considerations see "The Interest of America in Sea Power, Present and Future," by Captain (later Rear-Admiral) A. T. Mahan, a series of articles written between 1890 and 1897. Boston, 1911.

through the stage in which our industrial life was completely self-sufficing. We were becoming a manufacturing nation, requiring markets for the disposal of surplus products. We were, it appeared, being drawn into a great international competition, in which markets in China, South America and backward countries were the prizes. Simultaneously our foreign commerce had changed. Our growing population had made increasing demands upon our food products, leaving less to be exported, and at the same time our exports of manufactures had increased. In 1880 we exported manufactures (ready for consumption) to the value of ninety-three millions of dollars; in 1898 to the value of two hundred and twenty-three millions.

Other industrial factors tended also to bring about a change in our national ideals. We were beginning to believe in the economic efficiency of trust organisation, and our industry, conducted on a larger scale, was being increasingly concentrated. A new class was in financial control of our great industries. The trust magnate, the new conductor of vast industrial enterprises, was looking forward toward a strong unified banking control over industries and a definite expansion of American trade in foreign countries. American capitalists were beginning to believe that their economic needs were the same as those of the European capitalists, who were enticing their nations into imperialism.

Psychologically, also, we were ripe for any imperialistic venture, for we enormously exaggerated the progress we had made towards industrialisation, and were thinking in terms of Europe. We suddenly believed that we too were over-filled with capital and compelled to find an outlet for investments and trade. Innumerable editorials appeared, presenting the arguments for imperialism that had been

urged *ad nauseam* in Europe. We could not resist, it was argued, the ubiquitous economic tendency toward expansion. In all countries, including America, capital was to become congested. An over-saving of capital, invested in manufacturing plants, produced far in excess of the possible consumption of the people. We had reached a stage of chronic over-production, in which increased saving and increased investment of capital would permanently outstrip consumption. Everywhere wealth was being heaped up; the savings-banks overflowed; the rate of interest fell and capital sought desperately for new investments. The capitalist system must either expand or burst.

Certain superficial developments in the United States formed the groundwork of these gloomy prophecies. We had just passed through a commercial depression, during which prices and interest rates fell and great numbers of workers were left unemployed. These facts were exploited by political leaders and industrial magnates, who thought in terms of the subordination of American foreign policy to the needs of big business. It is not surprising therefore that they became infected with the new imperialism, which in Europe had been growing steadily for over fifteen years, and that they came to the conclusion that America could not hold hands off while the markets and investment fields of the world were divided up among her rivals.

"The United States," wrote Charles A. Conant, one of the intellectual leaders of this movement (in 1898), "cannot afford to adhere to a policy of isolation while other nations are reaching out for the command of new markets. The United States are still large users of foreign capital, but American investors are not willing to see the return upon their investments reduced to the European level. Interest rates have greatly declined here within the last



five years. New markets and new opportunities for investment must be found if surplus capital is to be profitably employed."

Like so many of the pamphleteers of 1898, Mr. Conant was convinced that imperialism offered the only cure "for the enormous congestion of capital." No civilised state, he contended, would accept the doctrine that saving should be abandoned. And while human desires were expansible, he doubted whether the demand for goods could possibly increase with sufficient rapidity to absorb the new productive capacities of the nation. "There has never been a time," he writes, "when the proportion of capital to be absorbed has been so great in proportion to possible new demands. Means for building more bicycle factories than are needed, and for laying more electric railways than are able to pay dividends, have been taken out of current savings within the last few years, without producing any marked effect upon their amount and without doing more, at the most, than to stay the downward course of the rate of interest."

It therefore follows conclusively that the American conquest of markets and fields for investment must go on. The method of such a conquest is of little importance. "In pointing out," he says, "the necessity that the United States shall enter upon a broad national policy, it need not be determined in just what manner that policy shall be worked out. Whether the United States shall actually acquire territorial possessions, shall set up captain generalships and garrisons, whether they shall adopt the middle ground of protecting sovereignties nominally independent, or whether they shall content themselves with naval stations and diplomatic representations as the basis for asserting their rights to the free commerce of the East, is a matter of detail."

I have quoted Mr. Conant at length because he is so largely typical of the state of mind of the American plutocracy in the year 1898. It would have been easily possible, however, to have presented any amount of confirmatory material of exactly the same nature. An article by W. Dodsworth in the October, 1898 number of the *Nineteenth Century* is along the same lines. Here again we read of an unprecedented industrial revolution during the preceding half century and a vast increase in foreign trade and accumulated wealth. Again we read of the falling rate of interest and of the failure of trusts and combines to resist the outside pressure of necessitous capital, seeking to force its way into industries. It was held quite impossible for consumption to absorb the products of an over-fertile industry. "I am no pessimist," writes Mr. Dodsworth, "but I cannot conceal my deep conviction that, if this relief is not forthcoming, a stage of grave industrial collapse, attended with the agitation of equally grave political issues, becomes only too probable, and the energies of our seventy-five millions of producers may have to be restrained until we learn to appreciate the penalty of our neglect of foreign enterprise."

Such were the arguments with which in 1898 the United States plunged into imperialism. We were to break out of the narrow circle which confined our economic life to become the work-shop of the world as England had once been, to export and export and ever increasingly export until all the nations should be our debtors. Our capital, like our wares, was to go to all countries. It flattered our pride when, a few years later, Europe trembled at the spectre of an American commercial invasion and even England wondered whether she could withstand the flood of cheap manufactured American goods, dumped on her

shores. We pictured a vastly increasing trade with our new colonial possessions and with China; we envisaged opportunities, not only of an immense American investment, but of an even greater American trade.

What we believed of ourselves, Europe only too credulously believed of us. Leading European economists and publicists were completely convinced that the United States was irrevocably embarked on "the sea of imperialism." "The recent entrance of the powerful and progressive nation of the United States of America upon imperialism," wrote Prof. John A. Hobson in 1902, ". . . not only adds a new formidable competitor for trade and territory, but changes and complicates the issue. As the focus of political attention and activity shifts more to the Pacific States, and the commercial aspirations of America are more and more set upon trade with the Pacific Islands and the Asiatic coast, the same forces which are driving European States along the path of territorial expansion seem likely to act upon the United States."<sup>1</sup> Professor Hobson and other foreign observers believed that our great trusts, which were being formed with reckless suddenness, would enormously increase the capital seeking an outlet, and that new imperialistic ventures would result. "Cuba, the Philippines, Hawaii," he insisted, "are but the *hors d'œuvre* to whet an appetite for an ampler banquet."<sup>2</sup>

This development toward a congestion of capital, though confidently anticipated both in the United States and in Europe, did not take place. About the end of the century an enormous extension of the general field for foreign investment raised interest rates all over the world. The demand for capital grew with astonishing rapidity. In

<sup>1</sup> John A. Hobson, "Imperialism," p. 23. London, 1902.

<sup>2</sup> *Op. cit.*, p. 83.

part this was due to British, French and German foreign investments, but it was also the result of a quickened economic tempo in all countries. New industries were created, wages rose (though in most countries not so rapidly as prices) and the outlets for the supposed superfluous capital were greater than ever.

Especially in the United States was the development contrary to that which had been anticipated. Capital was not rendered idle because of any slackening in the nation's consuming capacity, for the men of average and small income were able to purchase more than ever before. The farmers alone, whose property increased in value from twenty and a half billions of dollars in 1900 to forty-one billions in 1910 (an increase of over 100 per cent. as compared with less than 28 per cent. in the previous decade) added stupendously to a new demand for goods of all sorts. Of automobiles, unknown in 1898, there are in 1916 almost three millions. Innumerable other industries arose and expanded; the anticipated arrest of accumulation did not occur.

The result of this economic development soon made itself apparent. We discovered, fortunately for us, that we were not at this time to become the work-shop of the world. We could not continue to produce articles cheaper than England or Germany, and undersell these countries in their home markets. We discovered that our own country still furnished an admirable field for investment. While our foreign commerce increased, it continued to form only a small part of our whole trade. So long as vast new opportunities for the investment of capital in the United States presented themselves, we ceased to worry about foreign or colonial outlets, and for every dollar of American money invested in Porto Rico and the Philippines, hundreds of dollars were invested in the states. Our capital

though accumulating at an ever-increasing rate, did not equal the demand.<sup>1</sup>

In other words, the conditions in America did not yet warrant an imperialistic policy. We were economically younger than we had thought; more elastic, with greater capacity for internal growth. As a result of this discovery, our sudden enthusiasm for dominions beyond the seas died down. We were disgusted and bored by the Philippine war; we hated the rôle of oppressors, in which we unwillingly found ourselves. We hated the water cure, punitive expeditions, and the endless controversies over the status of Filipinos under American law. The anti-imperialistic elements in America, men whose interests did not lie in foreign trade and speculation, stolidly opposed the retention of the islands. Had the election of 1900 been fought upon this single issue it would probably have been won by the anti-imperialists. Even though we kept the islands, we set definite limitations to our imperialistic ventures. We secured for the Philippines an administration which prevented the exploitation of the natives and the importation of Chinese labour. We set our faces against any policy of sacrificing the interests of the indigenous population to the interests of American financiers. And to-day, could we do it with due regard to the interests of the Filipinos, we would retire from the archipelago.

As we look over this experiment, we cannot help recognising that it was a precocious, an unripe imperialism. For us it was too early to secure Asiatic islands; too early

<sup>1</sup> In 1914, twenty-six years after the cession of the islands our combined import to and export from the Philippines amounted to only \$51,246,128, or less than 1/75 of our entire foreign commerce. Our commerce with China, which was to have been opened by our possession of the Philippines was less than one-half of that with Brazil and less than one-twelfth of that with Great Britain.

to worry about American investments in foreign lands. It was an imperialism carried out somnambulistically. Our taking the Philippines was an accident, unforeseen and undesired.<sup>1</sup> Our hope of being the work-shop and banking centre of the world, of being the heart of a great empire like that of Britain, and of doing all this within a short period, was a dream, which vanished with the new demands made upon American capital by an increasing economic expansion.

The truth is that this unripe imperialism did not represent the interests of the majority nor even of any considerable group of our capital owners. It was doomed to disappearance once the revival of American industry offered opportunities, not only for the ordinary capitalist, but for that more speculative investor, who in other countries clamours for imperialism. The experiment revealed, however, that the same forces which act upon capital in Europe act also upon capital in America, and that the United States, given the right conditions, is liable to the same ambitions as are imperialistic countries and is as likely to engage in war to satisfy these ambitions. The imperialistic trend acts upon all nations at a given stage in their economic development. It cannot be stopped by traditions of peacefulness or by mere protestations, however sincere. It is a part of the great economic strife, out of which devastating wars arise.

<sup>1</sup> "At the beginning of the war (with Spain) there was perhaps not a soul in the whole Republic who so much as thought of the possibility of this nation becoming a sovereign power in the Orient." —"World Politics," by Prof. Paul I. Reinsch, New York, 1913, p. 64.

## CHAPTER V

### FACING OUTWARD

WHILE the imperialistic venture of 1898 was premature and did not lead, as had been expected, to a conscious participation of America in the international scramble for colonies, it affected our national thinking and forced us to re-consider the position of America in relation to the ambitions and plans of other great nations. Our acquisition of new dependencies led us to recognise that we were at last a world power, with the responsibilities of a world power. We were obliged to learn from England and other imperialistic nations the lessons of colonial administration. Year by year we were drawn into closer relations with the West Indies and the Caribbean countries, and were compelled to assume financial control of Hayti and San Domingo in the interest both of foreign capital and of the countries themselves. The completion of the Panama Canal increased our sense of international danger and international responsibility. Finally the revolution in Mexico proved to us that whatever our positive action we could not remain passive.

Our Monroe Doctrine also, which had always seemed our charter of independence of Europe, forces us in the end to come to an understanding with Europe. We had set our faces against European conquest in the Americas, and therefore against any punitive expedition, likely to lead to permanent occupation. But if we protected Hayti and San Domingo from Europe, we assumed a certain

responsibility for the actions of these countries. In the existing state of international law, a nation assumes the right to protect its citizens from spoliation and to compel debtor countries to meet their obligations. In this right to collect debts by force of arms, which has been the excuse for innumerable imperialistic extensions, all the great creditor nations are interested. Had the United States refused to intervene in San Domingo, while forbidding the great powers to secure redress by threats, we might possibly have been forced to fight against overwhelming odds in defence of a people and cause, for which we had little sympathy. By its very prohibitions the Monroe Doctrine compels us increasingly to intervene between the weaker Latin-American countries and the warlike creditor nations of Europe.

The gradual extension of the Doctrine, moreover, vastly increases our possible area of friction with Europe. Originally planned to prevent European nations from conquering parts of the Americas, the Doctrine has now been extended to forbid foreign corporations subsidised or controlled by an Old World government to acquire any land in the Americas which might menace the safety or communications of the United States. Our action in Mexico indicates that we are determined not only to prevent Europe from introducing monarchical institutions into American countries, but to insist that those countries themselves adhere to the outward forms of popular government. Secretary Olney was speaking no doubt largely for home consumption when he declared that "the United States is practical sovereign on this continent (hemisphere), and its fiat is law upon the subject to which it confines its interpretation." Nevertheless the extension of control either by the United States or some group of powers is almost inevitable, and with the widening of the Monroe



Doctrine, as a result of closer relations between Latin America and the Old World, the necessity for some arrangement between the United States and the great European powers becomes increasingly obvious.

Our possession of Hawaii and the Philippines acts in the same manner. In a military sense the Philippines are indefensible; we cannot secure them against a near-lying military power. Nor can we in the present stage of national feeling permit them to be conquered. Consequently we watch the actions of Japan with quite different feelings than if we had not given her provocation and a bait. The building of the Panama Canal equally increases our international liabilities. It contributes a vast new importance to the Caribbean Sea and adds a new weak point to American territory. Having built and fortified the canal, we are compelled to think of ways and means of defending it, of armies, navies, *ententes* and alliances.

While all these factors, however, have contributed to our changed point of view, it was the World War which most completely revealed to Americans the necessity of accommodating our national development to that of other countries. The war proved that we were in a military sense vulnerable; that undisciplined citizen soldiery was no match for trained armies; that mere distance is no complete safety, and that the initial advantage, which accrues to the prepared nation is out of all proportion more valuable than later victories. The war showed that unarmed neutrality and a mere lack of hostile intention does not always save a nation from invasion. Moreover, we discovered that our interests were affected favourably or adversely by a conflict, in which we had no direct part. We, who had always conceived ourselves as a supremely disinterested nation, a remote island in the blue sea, began

to ask whether it was to our advantage to have France defeated, Belgium destroyed, Germany crushed, the British Empire disintegrated. We began to ask how our national interest was affected by the international competition for colonies, by the freedom or unfreedom of the seas, by the extension of the right of blockade, by the abrogation of established laws of warfare; and what the effect upon us would be of an economic alliance against Germany by the Allied Western Powers. In other words, we discovered a real national interest in international arrangements created by the war or to be established after the war.

Our first preoccupation was naturally one of defence. We looked outward, but only saw armed nations ready to seize upon our wealth and territory. Responsible authors predicted that the victor in this war would at his leisure move across the ocean and despoil the United States. From ponderous puerilities of this sort to the lurid descriptions of massacre and pillage, vouchsafed us by magazine and moving picture writers, was a short step. More serious arguments prevailed, and in the end a large addition was made to our military and naval forces. But the whole campaign was based solely upon the theory of defence, and the theory so formulated, was merely a continuation of the policy of isolation. It involved the idea that we were to act alone and protect ourselves alone against all nations. It did not concern itself with our national aims. It was not based upon a definition of our relations to Europe and to the several nations of Europe.

As our preparations increase, however, and as we realise how insufficient our force must be against a European coalition, we shall be faced with the alternative of entering into agreements or alliances (to make our defence real) or into some other policy, which might make defence unnecessary. In either case we must face outward, must

look at the world as it is and is to be, and define our relation to Europe. We must substitute a positive for a negative policy.

This we are forced to do even though we may have no immediate friction points with Europe. The economic interpenetration of all nations involves us in conflicts of interest and adjustments, which require a positive national policy.

It is our economic development that most strongly pushes us in this direction. We are gradually destroying the complementary industrial system which formerly held us to Europe; we are competing with European countries for world markets and have even begun to compete for investment opportunities in backward countries. We are exporting manufactures, and this exportation is likely to increase. Of the six chief requisites of a great manufacturing nation — coal, iron, copper, wood, cotton and wool — we are the greatest single producer of all except the last, and to this advantage of cheap raw materials, there is added an efficient manufacturing organisation and a large manufacturing capital. From 1880 to 1910 that capital increased six and a half fold (from 2.8 to 18.4 billions of dollars). It is therefore no wonder that we are exporting tools, sewing-machines, locomotives, typewriters, automobiles and electrical apparatus. These products compete increasingly with similar products from England and Germany and invade the markets which Europe desires for herself. Our total exports to Latin America, for example, have almost quadrupled in twenty-two years, increasing from 77 millions of dollars in 1890 to 296 millions in 1912.

The significance of this competition, as it exists to-day and will exist to-morrow, is greater for Europe than for us. Our fundamental welfare does not absolutely depend

upon this exportation; we could lose a part of this trade, as we lost our shipping, without fatal results, for we should still have our cotton and many half-finished products to exchange for our imports. Were Great Britain, however, to lose her markets for manufactured goods, she would shrink into insignificance, if she did not literally starve. In 1913 the United Kingdom spent \$1,400,000,000 on imported foods, drink and tobacco, and for this, as for her importation of raw materials, she must pay. While our export of manufactures still forms but a trifling part (perhaps one thirtieth) of our total product, the British and the German export constitutes an immensely larger proportion. Our export of finished wares, despite its rapid increase, was in 1914 only some seven dollars per capita, while that of the United Kingdom was about forty-five dollars per capita.<sup>1</sup> It will therefore not be wondered at if our increasing export of manufactures both to Europe and to the countries to which Europe exports, causes us to be involved, as we have not been for over a century, in the ambitions, conflicts and life-interests of the great European nations.

For at bottom a commercial war is an industrial war, a struggle for national prosperity. If, for example, Germany fails to hold her foreign markets, she must shut down factories. Her industrial problem is to buy raw materials from abroad cheap, ship to Germany, manufacture into finished products, transport to a country will-

<sup>1</sup>This comparison is not exact, since the British statistics, include articles under manufactures which we do not include, and exclude articles which we include. I cite these figures merely to show that there is a vast difference in the relative importance to the United Kingdom and the United States of their export of manufactures, but not to show exactly what that difference is. Similarly the comparison above between the total product of American manufacturing and our export of manufactures is approximate.

ing to buy, and from this enterprise secure profits enough to purchase food for her people. If she is beaten out, let us say, in the export cotton industry she must turn to something else. She may try to save the industry by increasing efficiency or reducing wages, but if she fails, she must close up some of her mills. If she cannot employ the growing masses who depend upon export industries, she must let her surplus people — and with them a part of her capital — emigrate. Like other European countries she has learned this lesson by experience. Thus it often happened when America increased her tariff rates that European factories, unable to compete, migrated, men and capital, to this country. It is true that the world market constantly expands, but the producing capacity of the manufacturing nations also increases, and competition becomes ever more severe. The more rapidly America invades the markets which Europe has hitherto held, the more she squeezes them, the more bitter the feeling against her will become.

That bitterness of feeling (in the conditions preceding the present war) was more likely to arise in Germany than in England and more likely in England than in France. We have spoken of these as rival nations, but there are intensities of rivalry varying in proportion to the similarity of products and of methods of production. Germany, like the United States, is a new-comer in international industry, pushing and aggressive. More scientific and better organised than we, she possesses far more meagre resources. We both have trusts or cartells, and both manufacture huge quantities of cheap, standardised products. Our competition therefore is of the keenest, and is likely to grow more intense, if, as seems likely, Germany recovers from the effects of this war. Less keen is our competition with Great Britain. Like an old firm, grown

rich and conservative, Great Britain is not pushing, not scientific, not well organised. We are gaining on her in those branches of manufacture which permit standardisation and production in huge quantities, and have no hope, and but little wish, of competing in articles of high finish and therefore high labour cost. With France we compete still less, since much of her export trade is in articles of taste and luxury, in which we are hopelessly inferior.<sup>1</sup>

In this battle for the world market, the United States has the disadvantage of coming late and of being intellectually unprepared. On the other hand, not only have we superior natural resources, but also the advantage that to us success is not vital. Whatever trade we gain is a mere improvement of a situation already good. We are playing "on velvet." Finally, like Germany, we have the advantage of large scale production by strong corporations working with what is practically a bounty upon exports. Because of their control of a protected home market, our great corporations can make their sales at home cover all initial and constant costs, and as these costs need not be applied to exports, are able to sell goods cheaper in Rio Janeiro or Lima than in Chicago or New York. They are able to "dump" their surplus goods.<sup>2</sup>

The opening of the Panama Canal cannot but increase the competition of the United States especially with the nations bordering on the Pacific Ocean. From 1897-1901 to 1907-11 the average annual exports from the United States to these Pacific countries (Mexico, Central America and Columbia, the remaining West Coast of

<sup>1</sup> See an analysis — let us say of Argentine trade.

<sup>2</sup> On the other hand the very extension of our home market tends to make us negligent of foreign exports of manufactures and to consider the profits from this business as a mere by-product. A large and successful foreign market can be maintained only by careful study and continuous work.

South America, China, Japan, the Philippines and British Australasia) increased from 104.2 millions to 200.2 millions, a growth of 92.1 per cent., while the export from Germany increased 81.0 per cent. and from the United Kingdom only 51.7 per cent. In the same period our average annual imports from these countries increased 112.9 per cent. (as compared with 113.9 per cent. for Germany and 62.5 per cent. for the United Kingdom).<sup>1</sup> The trade with these Pacific countries lies largely with the United Kingdom, the United States and Germany (in the order named) and the United States seems to be slowly moving forward to first place.<sup>2</sup> What progress the United States has made, moreover, has been achieved under certain great disabilities which the Panama Canal removes. "By present all-sea routes New York is, in general, at a disadvantage compared with Liverpool."<sup>3</sup> New York by the Suez route is 3 days further away from Australasia (for ten knot vessels) than is Liverpool; by the Panama route New York is from 9 to 12 days nearer. For points on the west coast of North and South America, New York is one and a half days nearer than is Liverpool by the all-sea route and about eleven days nearer by the Panama route. When all the conditions of distance, speed, cost of coal, tolls, etc., are considered, it is found that the Panama Canal gives in many parts of the world an advantage to New York over Liverpool, Antwerp and Hamburg. The result is an impulse towards a keener American competition in the Pacific trade.

If our foreign commerce was gaining before the war, it has made even greater progress since the outbreak of hos-

<sup>1</sup> Hutchinson (Lincoln), "The Panama Canal and International Trade Competition," p. 105 *et seq.* New York, 1915.

<sup>2</sup> Despite the fact that as yet the *absolute* increase is greater in the British than in the American trade with these countries.

<sup>3</sup> Hutchinson (Lincoln), *op. cit.*

tilities. While Germany's foreign commerce has been temporarily destroyed and that of Great Britain has been hampered by the war, our total commerce has immensely increased. In the year 1915 we exported over a billion dollars in excess of our exports of 1913, our exports in the latter year exceeding those of the United Kingdom or of any other country in any year of its history.<sup>1</sup> This development, it is true, was abnormal and consisted partly in increases in prices and temporary deflections in trade. Nevertheless, while many American industries, especially those engaged in the manufacture of war munitions, will suffer severely at the end of the war, and while our export of such commodities will dwindle, the war cannot but result in a relative advantage to American manufacturers of export commodities.

Moreover, the war by destroying established connections between neutral countries and their natural purveyors of manufactured goods in Europe has opened the way to a future extension of American export. Like a protective tariff, it gives an initial advantage to Americans, and helps them to overcome the early handicaps. It induces American manufacturers to think in terms of foreign markets instead of concentrating their attention upon a protected home market. In the beginning, it is true, the buying capacity of certain countries, such as those of South America, was diminished by the shattering of financial arrangements with Europe. But such a condition is purely temporary. There will always be a demand for

<sup>1</sup> From 1914 to 1916 our exports of merchandise increased from 2365 to 4334 millions of dollars (an increase of 83 per cent.) and our balance of exports over imports rose from 471 to 2136 millions (an increase of 354 per cent.). Monthly Summary of Foreign Commerce of the United States, June, 1916. (Corrected to Aug. 9, 1916, subject to revision.)



the wheat, corn, meats, hides and wool of Argentine, for the copper and nitrates of Chile, for the coffee and rubber of Brazil, for the wool of Uruguay, for the sugar and cotton of Peru, for the tin of Bolivia, for the beef and tagua nuts of Venezuela and Colombia. So long as they sell raw materials, these countries will furnish a demand for finished products.

American manufacturers are to-day determined to secure an increased share of this expanding market.<sup>1</sup> They are slowly learning that you cannot push your goods, in South America let us say, unless you learn to pack your goods, have studied local requirements, are willing to print catalogues in Spanish and Portuguese, and have your salesmen know these languages. In the past Americans have been hampered by their unwillingness or inability to extend long credits, but this drawback is being removed by the improvement of banking facilities. The government, moreover, now seeks actively to promote American trade with foreign countries, and especially with Latin America. A new merchant marine is expected to give additional facilities to American exporters and enable them to meet their British and German competitors on more nearly equal terms. Moreover, the United States is learning that in the export trade co-operation is desirable, and the

<sup>1</sup> "In spite of inexperience, crude methods, lack of banks and of ships we have made notable gains in South American trade. There seems to be no reason to question the probability of a continued rapid increase during the next few years. . . . The process of building and making more efficient our own manufacturing plants has been carried far, so that we are prepared, in the opinion of competent judges, to proceed more rapidly than ever with the production of goods for foreign markets."—William H. Lough, "Banking Opportunities in South America," Bureau of Foreign and Domestic Commerce (Dept. of Commerce), Special Agents Series No. 106, Washington, 1915, p. 7.

Federal Trade Commission seems about to grant permission to manufacturers to combine for the conduct of business in foreign countries.<sup>1</sup>

All this does not mean that American manufacturers are completely to displace their European competitors in South America and other markets. Competition after the war will be severe, and whatever the course of wages and employment in Europe, a measure of success for industrial countries like Great Britain, Germany and Belgium is absolutely essential to the maintenance of their populations. Desperate efforts will be made by these nations to re-establish their foreign business. A great part of South America is as near to London and Rotterdam as to New York, and much of the trade and of its future increase will revert to Europe. In the years to come, however, more than in the present or past, the United States will be a formidable competitor for the world-markets, and will incur enmity and jealousy in the attempt to maintain and improve its position.

<sup>1</sup> In a recent address (see date) to the American Iron and Steel Industry, Mr. Edwin W. Hurley, vice-chairman of the Federal Trade Commission, points out how during the last quarter of a century the Germans have co-ordinated their foreign trade, with the result that of the steel business 90 per cent. has been brought under a single control. The effect has been a victory for the German over the British export business. Mr. Hurley states that while a constructive programme has been worked out by the Interstate Commerce Commission for the railroads, and co-operation among the farmers has been stimulated by the Department of Agriculture, the manufacturing industries concerned in the export trade are hampered by provisions of the Anti-Trust Law. "Is it reasonable to suppose," he asks, "that Congress meant to obstruct the development of our foreign commerce by forbidding the use in export trade of methods of organisation which do not operate to the prejudice of the American public, are lawful in the countries where the trade is to be carried on, and are necessary if Americans are to meet competitors there on equal terms?"—New York *Evening Sun*, June 21, 1916.

A similar development is taking place in the field of investment. In former years, British, French, Dutch, Belgian and German financiers were requested, indeed begged, to invest their surplus capital in American enterprises. To these financiers we went cap in hand, and they did not lend their money cheaply. The complementary relation between lending Europe and borrowing America was productive of the friendship of mutual benefit. To-day we are still a debtor nation, but only in the sense that the great financier is a debtor. We ourselves have a large capital, and in the main go to Europe merely for the sale of safer and less remunerative bonds, while the common stock of new enterprises is likely to remain in America. Or we graciously "let Europe in on a good thing," conferring, not asking, a favour. In the meantime, we are paying off our indebtedness as is indicated by the balance of trade, which since 1876 has almost invariably been strongly in our favour.<sup>1</sup>

The war has still further reduced our foreign obligations. During the two years ending June 30, 1916 our excess of exports over imports was over three and one-quarter billions of dollars. Moreover, in 1915 we did not incur, as ordinarily, a large debt as a result of the expenditures of Americans in Europe. The result of this development has been twofold; a considerable transfer of European holdings of American securities to Americans, and the direct loan of American capital to Europe. While it is impossible to quote exact figures, the American debt to Europe can hardly have been reduced during the two years ending August 1, 1916, by less than two to

<sup>1</sup> In the last forty years the balance has been against us in only three years, 1888, 1889 and 1893. The real balance is not nearly so great as the apparent balance, but there can be little doubt that it represents a considerable repayment of the principal of our great debt to Europe.

two and a half billions, or perhaps a third, or even a half, of our former debt to Europe.<sup>1</sup>

In the meantime the United States though still a debtor nation has also become a creditor nation. Just as Germany, before the war, borrowed from France and loaned to Bulgaria and Turkey, so the United States, while still owing Europe, invested in Mexico, Canada and South America. It is probable that by 1914 considerably over one and a quarter billion dollars of American capital was invested in Canada, Mexico, Cuba and the Republics of

<sup>1</sup> According to W. Z. Ripley the American debt to Europe amounted in 1899 to \$3,100,000,000 of which \$2,500,000,000 was owed to England, \$240,000,000 to Holland, \$200,000,000 to Germany, \$75,000,000 to Switzerland, \$50,000,000 to France, and \$35,000,000 to the rest of Europe. After 1899 there was a reduction in the amount of European holdings of American securities (mostly railroad bonds and stocks), but since 1907 there was again an increased purchase, so that by 1914 the American debt to Europe was considerably greater than it had been in 1899. See *New York Journal of Commerce*, Dec. 6, 1911. Also, Hobson, C. K., "The Export of Capital." New York, 1914, p. 153-5. According to a compilation made by President L. F. Loree of the Delaware and Hudson Railroad, the American railroad securities formerly held in foreign hands but which were absorbed by the American market during the eighteen months ending July 31, 1916, amounted to \$1,288,773,801 par value and to \$898,390,910 market value. The railroad securities remaining abroad (July 31, 1916), amounted to \$1,415,628,563 par value with a market value of \$1,110,099,090. In other words according to these statistics of returned securities (which Mr. Loree believes are largely underestimated) about 45 per cent. (market value) of the railroad securities held abroad on January 31, 1915, had been returned eighteen months later. (*New York Times*, Sept. 25, 1916.) The *New York Times* states that "it is high banking opinion that at the outbreak of the war, the total of industrial securities held abroad amounted to about 25 per cent. of the railroad securities, and that the liquidation of industrials since has been in about the same proportion to the total as the liquidation of rails." On this basis the foreign holdings of American railroad and industrial securities on July 31, 1916, would have amounted to only \$1,375,000,000 (market value).

Central and South America, not including the capital represented by the Panama Canal.<sup>1</sup>

Even to-day (Nov. 1, 1916) there is still a probable excess of our debts over our credits with foreign nations of at least two billions of dollars. In comparison with our total wealth, however (estimated by the census of 1910 at 207 billions and since then largely increased), this indebtedness seems comparatively small. The national income is rapidly expanding and as the chance to secure exceptionally large profits in railroad and industrial enterprises diminishes there is an increased temptation for surplus capital to flow abroad. Whether or not we shall again have recourse to the fund of European capital in developing our immense resources, it is hardly to be doubted that we shall increasingly invest in foreign countries, and especially in Mexico, and elsewhere in the Americas.<sup>2</sup>

Such a development is entirely legitimate and within bounds desirable both for the United States and to the countries to which our capital (and trade) will go. The possible field of investment in Latin America and the Orient, to say nothing of other regions, is still immensely great, and as capital develops these areas their interna-

<sup>1</sup> For data used as the basis of this estimate, see Hobson, C. K., "Export of Capital" (p. 153 and following), together with sources there cited.

<sup>2</sup> "The adoption of the Federal reserve system has . . . released and made available for other forms of financing great sums which were formerly tied up in scattered reserves. We have only to look at the monetary history of the German Empire during the last forty years to see how powerful an influence on industry, trade, and investment is exerted by the centralisation and control of bank reserves. The London *Statist* has calculated the ultimate increased lending power of American banks, under the Federal reserve system, at \$3,000,000,000."—Lough, *op. cit.*, p. 8.

tional trade will also grow. There is no reason why the United States should not take its part both in the investment of capital and the development of trade with these non-industrial countries.

As we so invest and trade, however, we must recognise the direction in which our policy is leading us and the dangers, both from within and without, that we are liable to incur. The more we invest the more we shall come into competition with the investing nations of Europe. We are already urged to put capital into South America on the just plea that trade follows investment, and the same forces that are pushing our trade outward will seek opportunities for investment in the mines and railroads of the politically backward countries. Like European nations, we too shall seek for valuable concessions, and may be tempted (and herein lies the danger) to use political pressure to secure investment opportunities. What happened in Morocco, Persia, Egypt, where the financial interests of rival nations brought them to the verge of war, may occur in Mexico, Venezuela or Colombia, and the United States may be one of the parties involved.

We seem thus to be entering upon an economic competition not entirely unlike that which existed between Germany and England. We too have gone over to a policy of extending our foreign markets and of protecting our foreign investments. More and more we shall be interested in politically and industrially backward countries, to which we shall sell and in which we shall invest. Inevitably we shall face outwards. We shall not be permitted by our own financiers, manufacturers and merchants, to say nothing of those of Europe, to hold completely aloof. We have seen, even in the present Mexican crisis, how American investment tended to precipitate a conflict. We have learned the same lesson from England,

France and Germany. As we expand both industrially and financially beyond our political borders we are placed in new, difficult and complicated international relations, and are forced to determine for ourselves the rôle that America must play in this great development. We can no longer stand aside and do nothing, for that is the worst and most dangerous of policies. We must either plunge into national competitive imperialism, with all its profits and dangers, following our financiers wherever they lead, or must seek out some method by which the economic needs and desires of rival industrial nations may be compromised and appeased, so that foreign trade may go on and capital develop backward lands without the interested nations flying at each other's throat. Isolation, aloofness, a hermit life among the nations is no longer safe or possible. Whatever our decision the United States must face the new problem that presents itself, the problem of the economic expansion of the industrial nations throughout the world.





**PART II**

**THE ROOT OF IMPERIALISM**



## CHAPTER VI

### THE INTEGRATION OF THE WORLD

FOR decades, the foreign and domestic policies of the United States were determined by our ambition to subdue and people a wilderness. Our immediate profit, our ultimate destiny, our ideals of liberty, democracy and world influence, were all involved in this one effort. To us the problem was one of national growth. To-day we are beginning to realise that this Western movement of ours affected all industrial nations, and was only a part of a vaster world movement — an economic revolution, which has been developing for more than a century. That revolution is the opening up of distant agricultural lands and the binding of agricultural and industrial nations into one great economic union. It is a world integration.

To this world development the crude physical hunger of the Western populations has contributed. The urbane Chinese official, who voices the sentiments of Mr. Lowes Dickinson, attributes Europe's solicitous interference in China to the fact that the Western World cannot live alone. "Economically," he says, "your (Western) society is so constituted that it is constantly on the verge of starvation. You cannot produce what you need to consume, nor consume what you need to produce. It is matter of life and death to you to find markets in which you may dispose of your manufactures, and from which you may derive your food and raw material. Such a

market China is, or might be; and the opening of this market is in fact the motive, thinly disguised, of all your dealings with us in recent years. The justice and morality of such a policy I do not propose to discuss. It is, in fact, the product of sheer material necessity, and upon such a ground it is idle to dispute.”<sup>1</sup>

Necessity is a large and a vague word; it may mean any degree of compulsion or freedom. Yet the Chinese official is right when he emphasises the immensity of the economic forces driving the Western nations outward. Not adventure, ambition or religious propagandism will account for the full momentum of this movement. Back of the missionaries, traders, soldiers, financiers, diplomats, who are opening up “backward” countries stand hundreds of millions of people, whose primary daily needs make them unconscious imperialists.

At the bottom this outward driving force is the breeding impulse, the growth of population. In 1800, one hundred and twenty-two millions of people lived in western Europe, whereas in 1900 the population was two hundred and forty millions,<sup>2</sup> and the rate of increase is still rapid. The population has doubled; the area has remained the same. The new millions cannot be fed or clothed according to their present standard of living unless food and raw materials come from abroad. They depend for their existence on outside agricultural countries.

This increase of European population, moreover, has been a net increase, after emigration has been deducted.

<sup>1</sup> “Letters from a Chinese Official. Being an Eastern View of Western Civilisation.” New York (McClure, Phillips & Co.), 1903, p. 13.

<sup>2</sup> See “Handwörterbuch der Staatswissenschaften,” II, pp. 992, 993, Third edition, Jena, 1909–1911. Western Europe here includes all of Europe except Russia, Hungary, Bosnia and Herzegovina, the Balkan States and Turkey.

Although during the last century tens of millions of immigrants have gone from western Europe to the United States, Canada, Brazil and the Argentine; the home population has increased by over one hundred and seventeen millions and is to-day increasing by twenty millions a decade.<sup>1</sup> For all of these twenty millions no sufficient outlet can be found either in old or in new lands. The problem, therefore, is not to find homes for them abroad but to secure their existence at home. And this existence can only be secured by raising the necessary food in distant agricultural countries and by turning over a large part of western Europe to manufacturing and commercial enterprises. Colonisation, imperialism, the opening up of new agricultural countries, is therefore the other side of industrialism.

The present revolution in the world to-day is thus in a real sense a sequel to the industrial revolution, which gave birth to our modern industry. That imposing industry depends upon non-industrial populations, who produce food, cotton, wood and copper, and exchange them for manufactured goods. Since the people who fashion and transport products must be fed by those who raise them, agricultural production must be stimulated at home and abroad. The nation must expand economically. This expansion, which is broader than what is usually called imperialism, is not a merely political process. It takes small account of national boundaries, but develops farming wherever possible.

The movement is vast and intricate: Commerce be-

<sup>1</sup> The absolute increase in the population of western Europe is itself increasing. In the decade 1800-1810, the increase was 6.3 millions; in the nine succeeding decades it was 7.8; 13.5; 11.3; 9.6; 9.7; 11.5; 14.1; 14.5 and 19.0 millions. In the fifty years ending 1850 the population increased 48.6 millions; in the fifty years ending 1900, 68.7 millions.

tween industry and agriculture is carried to the outermost parts of the earth; Africa is divided up, colonies, dependencies and protectorates are acquired; agriculture is promoted in politically independent countries, and an internal colonisation, a colonisation within one's own country, occurs simultaneously. In Australia, the Canadian West, in Argentine, in Siberia settlers lay virgin fields under the plough, and the new lands are bound commercially to the great complex of Western industrial nations.

They are also bound psychologically. As the machine which conquered the nation now conquers the world, so the spirit of Manchester and London and of Pittsburgh and New York rules ancient peoples, breaking up their rigid civilisations, as it rules naked savages in the Congo forests. It is a materialistic, rationalistic, machine-worshipping spirit. The unconscious Christian missionaries to China, who teach the natives not to smoke opium and not to bind the feet of their women, are unwittingly introducing conceptions of life, as hostile to traditional Christianity as to Confucianism or Buddhism. They are teaching the gospel of steam, the eternal verities of mechanics, and the true doctrine of pounds, shillings and pence. Feudalism, conservatism, family piety, are dissolved; and, as the conquering mobile civilisations impinge upon quiescent peoples, new ambitions and desires are created among populations hitherto content to live as their forefathers lived. These desires are the inlet of the restless discontent which we call European civilisation. When the ancient peoples, civilised or not, desire guns, whiskey, cotton goods, watches and lamps, their dependence upon Western civilisation is assured. Bound to the industrial nations, they toil in mines or on tropical plantations that they may buy the goods they have learned to want, and that Europe may live.

In this cosmopolitan division of labour, which destroys the old economic self-sufficiency of nations, England took the lead. A hundred years ago, when the British agriculturist sold his produce to the British manufacturer in return for finished wares, and foreign commerce was insignificant, the population was limited by the food it could produce. Every increase in the number of Englishmen meant recourse to less fertile fields, an increase in rents, a lowering of wages and a resultant pauperism. The hideous distress during the Napoleonic Wars and after was largely due to an excessive population striving to live upon narrow agricultural resources.

The alternative presented was to stop bearing children or find food abroad; stagnation or industrialism. If England (with Wales) could in 1821 barely support twelve millions, how could she maintain thirty-six millions in 1911? Only by going over to free trade, by raising her food and raw materials in countries where land was cheap, and employing her people in converting these into finished products. To-day three live in England better than one lived before; on the other hand, a large part of the food supply is raised abroad.

Had Great Britain literally become "the workshop of the world," manufacturing for sixteen hundred million inhabitants, there would have been no limit to her possible increase in population. No such national monopoly, however, was possible, or from a world point of view desirable. Belgium, France, Germany and later other thickly populated countries were also faced with the choice between stagnation and industrialism, and as English machines, English industrial methods and English factory organisation could be imported, these nations, one after another, went over to manufacturing, ceased to export food and be-

gan to import both food and raw materials, competing with Great Britain for industrial supremacy.

These competing industrial nations had a great common interest, to increase the total food and raw materials to be bought and therefore the manufactured products to be sold. The greater the development of foreign agriculture the better for industry in all these nations. To secure this agricultural base abroad, the nation was not compelled to establish its own colonies, for Belgium and Holland could buy food and raw materials even if the Congo and Java were nonexistent. As a consumer it made little difference to England whether she got her wheat from Russia or India, or her sugar from Germany or Mauritius, so long as the supply was plentiful, cheap and constant. Actually a large part of the food supply came from politically independent countries, the United States alone increasing its food exports from fifty-one millions of dollars in 1860 to five hundred and forty-five millions in 1900, and its cotton in equal ratio.

But as American economic development proves, it is difficult to maintain this common agricultural base. The agricultural nation, in the temperate zone, grows in population, converts itself into an industrial community, and not only consumes its own food and raw materials but draws upon the common agricultural fund of the older industrial nations. To-day the United States is rapidly lessening its food exports, is increasing its imports of sugar, coffee, tea, fish, and other foods, and is thus forcing industrial Europe to find a new agricultural base.

This conversion of agricultural into semi-industrial nations proceeds rapidly. Switzerland, Austria, Italy, Japan, even Russia, increase their manufacturing, and intensify the demand for the world's supply of raw materials. It is a normal and in present circumstances an inevitable



process. When, however, the exportable supply of food and raw material of an agricultural country dwindles, a new equilibrium must be established. New states, territories, colonies, hitherto exporting but little agricultural produce, are opened and their production stimulated. From Russia, the Danube Valley, Canada, Australia, Brazil, Argentine and many parts of Africa, new supplies of raw material are secured. Fresh sources are also discovered for the production of fodder, flax, cotton, wool and ores. It is an equilibrium, forever destroyed and forever re-established, between an increasing number of industrial nations with increasing populations and new agricultural bases, upon which the superstructure of the world's export industry is reared.

It is not, however, by the sale of present manufactured goods alone that the industrial nations can secure their foreign food. One may own abroad as well as earn abroad. An Englishman with a thousand acres in North Dakota or Alberta may export the wheat that he raises exactly as though the farm were in Devon. If he owns shares in the Pennsylvania Railroad, he may with his dividends purchase wheat, which he may ship to his own country without exporting commodities in return. The true economic dominion of England extends wherever Englishmen hold property. Subject to the laws of the land where the property is held, this ownership gives the same claim to the product of industry as does an investment at home.

As we read the imperialistic literature of to-day, we discover that the chief emphasis is laid on the great value of new countries as a field for this sort of profitable investment. Investment, not commerce, is the decisive factor, and money is to be made out of opportunities to build railroads, open mines, construct harbours and irrigate arid districts. The diamond mines of the Transvaal were more

attractive to the English than the chance to trade, and what was of immediate value in Morocco were the iron mines and future railways and not the right to sell tallow candles to the Berbers.

In large part this foreign investment of capital has the effect of broadening the agricultural base. While to the individual investor, capital export means getting eight per cent. instead of four, and to the promoter, a chance to make a few hundred thousand dollars or pounds, to the industrial nation it means that a fund is created which will help pay for a steady flow of agricultural products and raw materials. To the whole complex of industrial nations and to the world at large it means even more. The export of capital increases the capacity of the agricultural nation to serve as a feeder to all industrial peoples. It provides cheap transportation and improved agricultural machinery. Had Great Britain not invested in American railways during the fifties the United States would have exported less food to Europe in the seventies. Freight rates dropped and the industrial nations were flooded with cheap wheat. British capital in American railways aided British manufacturing more than if the same capital had been placed at home. To-day for the same reason the process continues elsewhere. In Russia, South East Europe, Canada, Australia, South America, Asia and Africa, capital, furnished by the industrial countries, is increasing the production and exportation of food and of raw materials, and is thus indirectly promoting the industry of western Europe.<sup>1</sup>

<sup>1</sup> Not all foreign investment of capital results or is intended to result in stimulating agriculture and other extractive industries. Much of it is spent unproductively on guns, ships and royal and presidential luxuries, and much in stimulating manufacturing in agricultural nations, thus narrowing instead of widening the agricultural base of the capital-exporting countries.

Such investment abroad is not new. In the Middle Ages the bankers of Northern Italy, and later of Spain and Portugal advanced small sums to impecunious foreign sovereigns. But the thousand marks borrowed by Henry V from Genoese merchants, or the loans made by Holland in the 18th Century, did not compare with the vast sums invested by England since the Napoleonic Wars, nor by other countries since 1850. For, as in manufacturing, so also in the export of capital, France, Belgium, Holland, Germany and even the United States entered the field. The source from which capital could be obtained widened with the increase in the number of wealthy industrial nations, and the volume of investment expanded rapidly. The foreign investments of the United Kingdom, according to an estimate made by Dr. Bowley, amounted in 1854 to two and three-quarter billions of dollars. For 1914, sixty years later, these holdings were estimated at seventeen and one-half billions. It is believed that the French have invested some eight billions of dollars and the Germans four billions.<sup>1</sup> The entire foreign investment of capital by the industrial nations of Europe cannot have amounted (in 1914) to less than thirty-two or thirty-five billions of dollars.<sup>2</sup>

If this great investment were made solely in countries with a highly developed capitalism, with stable political conditions and strong economic ambitions, no imperialistic policy would be necessary. England need not "own" the United States in order to invest here safely or for purposes of trade. Nor is she under an economic compulsion to rule Canada or Australasia. Were these British colonies quite independent politically, Canadians and Australians would

<sup>1</sup> See Hobson, "Export of Capital."

<sup>2</sup> Moreover this investment, until the outbreak of the war, was rapidly increasing, amounting to no less than \$1,500,000,000 a year.

still endeavour to sell wheat and mutton to Europe and to attract and protect European capital. Their own self-interest, not any outside compulsion, makes them serve European, in serving their own interests. In Morocco, on the other hand, and in Tunis, Persia, Jamaica, Senegal and the Congo, the situation is different. The natives of these lands lack most of the elements which make for the ordered economic development demanded by Europe. Under native rule there is governmental incompetence and venality, disorder, revolt, apathy and economic conservatism. Foreign investment is impossible and trade precarious. It is here where the industrial system of Western Europe impinges upon the backward countries that economic expansion merges into modern imperialism.

## CHAPTER VII

### THE ROOT OF IMPERIALISM

"THE free West Indian negro," writes Sir Sidney Olivier, "is not only averse as a matter of dignity to conducting himself as if he were a plantation slave, and bound to work every day, but also enjoys the fun of feeling himself a master. And so, on a big sugar estate, when expensive machinery is running, and the crop has to be worked without stoppage, or on a banana plantation, when the steamer has been telephoned at daybreak, and two or three thousand bunches have to be at the wharf by noon, the negro hands will very likely find it impossible to cut canes or fruit that morning. It isn't a strike for better conditions of labour; they may have no grievance; another day they will turn up all right: but a big concern cannot be run on that basis. That is the root of the demand for indentured labour in the West Indies."<sup>1</sup>

It is also the root of imperialism. For imperialism from an economic point of view is in the main a foreign political control to make the "niggers" work. The industrial nations, desiring food, raw materials, markets and a field for investment, being thwarted by conditions in certain backward agricultural countries, seek to remedy these conditions by means of political sovereignty. It is not necessary to control well-governed countries which are peopled by economically ambitious men who will work six

<sup>1</sup> "White Capital and Coloured Labour," pp. 80, 81. London, 1910.

days a week, fifty-two weeks in a year. In politically independent countries, however, and especially in the tropics, production is rendered ineffective by the disturbed political conditions, the lack of capital and capitalistic intelligence, the absence of fixed industrial habits, as well as by a general inertia and distaste for continuous labour under the hot sun. As a result, industrial nations are deprived of the markets and food supplies, which they consider necessary to their development.<sup>1</sup>

No necessity of feeding Europeans appeals to the West Indian negro when he emerges from his thatched hut after a comfortable night's sleep. Though unskilled, he is a strong and capable man, willing, when incited by friendship or gratitude, to incur trouble and endure fatigue. But, as Olivier points out, "the capitalist system of industry has never disciplined him into a wage-slave," and perhaps never will. The tropical negro "has no idea of

<sup>1</sup> The case for tropical imperialism is argued by Dr. J. C. Willis (Director of the Royal Botanic Gardens at Ceylon) as follows: "In the present condition of the world the temperate zones cannot get on without the products of the tropics. The latter provide many things, such as rubber, tea, coffee, cinchona, jute, cane-sugar, spices, etc., which are among the necessities of modern civilised life. The need for these has led to the settlement of Europeans at trading stations in the tropics, at Calcutta, Malacca, Calabar and many other places. Once settled there, the insecurity of the traders and the inefficiency of the natives have led to the conquest of adjacent territories, until now most of the valuable areas in the tropics are in European or American hands." The conquering nations "work on the principle of governing the country for the benefit of the governed; but they must also so arrange matters that the tropical countries shall take their share in the progress of the world at large, and produce and export certain commodities for the benefit of that world which cannot get along properly without them. If the countries of the tropics can be made to progress so far that they shall themselves, with their own population, produce these things, so much the better; *but the things must be produced.*"—"Agricultural Progress in the Tropics,"—*Science*, London, Vol. V, pp. 48, 49. (My italics.)

any obligation to be industrious for industry's sake, no conception of any essential dignity in labour itself, no delight in gratuitous toil. Moreover, he has never been imbued with the vulgar and fallacious illusion which is so ingrained in competitive industrial societies, that service can be valued in money. . . . Work and money are not yet rigidly commensurable in the consciousness of the African. Half a dollar may be worth one day's work for him, a second half-dollar may be worth a second day's work, but a third half-dollar will not be worth a third day's work. . . . Moreover he lives in climates where toil is exacting, and rest both easy and sweet. There are few days in the year in England when it is really pleasant to loaf, and the streets of civilised cities are not tempting to recumbent meditation." <sup>1</sup>

It is not always necessary for a foreign power to intervene in order to disturb this "recumbent meditation." In certain tropical and sub-tropical countries there develops within the nation a group of exploiters, who control the government, such as it is, and force the natives to work. The atrocities of the Putumayo district in Brazil illustrate the capitalistic spirit in its very worst form, as did also the forced labour on the Yucatan plantations during the Diaz régime in Mexico. To meet the economic needs of the industrial world, it makes little difference whether peons are enslaved by Mexican, American or English capitalists, so long as the output is the same. But native capitalists are often unable to secure the desired economic result because they are too ruthless and, through lack of adequate financial and military resources, cannot maintain order. Despotism tempered by revolution, oppression interrupted by savage reprisals, is not

<sup>1</sup> "White Capital and Black Labour," pp. 82-83.

an approved economic stimulus. The difficulty in Mexico to-day, as also in Venezuela and in Colombia, is the laming of industry by frequent revolutions. It is the same difficulty that was encountered in India, Persia and Morocco. The East Indian is as unflagging as the French or Italian peasant, but not until the British occupation could he secure the legal protection necessary to a higher economic development. Peace, sanitation, industrial promotion and an economic or legal compulsion to work constitute the tools of imperialism, as they are applied to agricultural countries in the tropical and sub-tropical world.

There is one outstanding difference between temperate and tropical countries, which gives to modern imperialism its essential character. Given a low stage of civilisation, temperate lands are likely to be thinly populated, while tropical countries, however rudimentary their economic processes, may maintain large, low-grade populations. In the temperate climes, therefore, the intruder, who is more highly developed economically, soon outnumbers the natives, while in tropical countries, the white immigrant, even when he withstands the climate, is scarcely able to hold his own, and the very improvements which he introduces lead to an increase in the indigenous population. The white man either remains above and in a sense outside the population, or loses his identity by mixing his blood with that of the natives. The result is the maintenance of a people ethnically distinct from that of the nation exercising political control.

To just what extent such control is necessary and effective constitutes a difficult question. It cannot be denied that the export from many colonies is far greater than would be the case if these had remained independent. The naturally rich country of Haiti is far less valuable to the industrial nations than the poorer island of Porto



Rico.<sup>1</sup> In many parts of the world large agricultural resources are unavailable because owned by uncivilised nations or tribes maintaining their political independence. Indeed, if an immediate increase in production and export were the only factor to be considered, a government of all tropical America by a capable industrial nation, like England or Germany, would be of distinct advantage. Other considerations, however, do enter. Even a semi-efficient nation, like Chili or Brazil, gradually establishes order, secures foreign capital, intelligence and labour, and develops its resources. As opposed to Europe, the United States stands in its Monroe Doctrine for the principle that Latin-American countries, if left independent, will in time develop, and that a slow evolution may be more advantageous to the world than a more rapid exploitation under foreign dominion.<sup>2</sup> Ultimately, however, the capacity of the nation to utilise its resources does constitute the test which decides whether it shall retain independence or become subject to foreign domination. It is this test which is being applied to-day to Mexico and certain other Latin-American countries.<sup>3</sup>

As yet this imperialistic régime is in its beginning. Food and raw materials are still mainly derived from in-

<sup>1</sup> In 1911 the exports for Haiti amounted to a little over \$3 and in 1912 to a little under \$7 per capita; the exports of Porto Rico (to the United States and foreign countries) amounted to almost \$40 per capita.

<sup>2</sup> Historically, of course, this theory was not the real motive behind the Doctrine. That motive was the unwillingness of the United States to have strong, military nations in its immediate vicinity.

<sup>3</sup> A failure to meet the requirements of the industrial nations does not necessarily involve a complete extinction of political independence. Any measure of control, any merely reserved right, such as the United States retains in Cuba, may suffice for the purpose.

dependent nations and from temperate, settlement colonies, in which production is not affected by political control. The major part of the food-stuffs imported by Europe come from Russia, the United States, Canada, Australia, the Argentine, the Balkans; cotton comes chiefly from the United States; wool from Australia; hides from the Argentine; copper, coal, wood, oil from countries of temperate climate. More sugar is actually produced in temperate than in tropical countries, though the export from tropical countries largely preponderates. Thus the external commerce of the specifically tropical countries subject to imperialistic rule is small compared to that of temperate countries exporting raw materials. India with its developed agricultural system exports only some \$500,000,000 of food and raw materials<sup>1</sup> (in excess of its imports of like commodities) or about \$1.55 per capita, while the per capita exportation of Roumania is over ten times as great, of the Argentine about twenty times, and of Australia forty times.<sup>2</sup>

If the present commerce with tropical countries were not to increase, the new tropical imperialism would have but a slender economic base, and it might well be questioned whether it was worth Europe's while to govern hundreds of millions of yellow, brown and black men in all parts of the globe. But the English colonies in America, two hundred years ago, also exported little, and a similar immensity of growth may be expected from the commerce of tropical countries. "As civilisation advances and population becomes more dense," writes Mr. Edward E. Slosson,<sup>3</sup> "the inhabitants of temperate zones

<sup>1</sup> "Food, drink, tobacco, raw materials and produce and articles mainly unmanufactured."

<sup>2</sup> Owing to differences in method of classification, these comparisons are only approximate.

<sup>3</sup> The *Independent*, Oct. 11, 1915.

become necessarily more dependent on the tropics. Where the sunshine falls straightest and the rain falls heaviest there the food of the future will be produced." Cacao, coffee, copra, cotton, rubber, sugar cane, bananas and other fruits are all becoming increasingly important in our consumption, and these and other raw materials are the product of a scientific exploitation of tropical regions.<sup>1</sup>

More and more the West-European nations, as also the United States and Japan, are realising these immense potentialities. Into many tropical countries, new crops are introduced, experiment stations established, railroads built, agricultural machines imported and efforts made not only to bring new lands into cultivation but also to increase the output of older lands. The experimental spread of cotton culture is a case in point. In 1902 the British Cotton Growing Association was created to promote the growth of cotton in British dependencies. The fibre is now being raised in Egypt, Northern Nigeria and Central Africa, while the possible output of West Africa, it is claimed, could supply all the mills of Lancashire. An ample supply of cotton for many decades to come seems reasonably assured.

The gradual filling up of the temperate zones emphasises the immense future possibilities of the tropical regions. According to Mr. Earley Vernon Wilcox, the total land area of the world is about 52,500,000 square miles (of which about 29,000,000 are considered fertile) and of this total area about 15,000,000 square miles are to be found in tropical and sub-tropical regions. "In 1914, the United States imported tropical agricultural products to the value of \$600,000,000," and the exports from Ceylon, Brazil,

<sup>1</sup> For a brilliant statement of the growing significance of tropical products, see Benjamin Kidd, "The Control of the Tropics," New York, 1898, especially Part I.

the Dutch East Indies, Cuba, Hawaii and Egypt were enormous. "The control and proper development of the Tropics" writes Mr. Wilcox, "is a problem of tremendous consequences. Year by year more tropical products become necessities in cold climates. This is apparent from the mere casual consideration of a list of the commonly imported tropical products, such as cane sugar, cocoanuts, tea, coffee, cocoa, bananas, pineapples, citrus fruits, olives, dates, figs, sisal, Manila hemp, jute, Kapok, raffia, rubber, balata, gutta-percha, chicle and other gums, cinchona, tans and dyes, rice, sago, cassava, cinnamon, pepper, cloves, nutmeg, vanilla and other spices, oils, such as palm, China wood, candlenut, castor, olive, cotton, lemon oil, etc." <sup>1</sup>

In estimating the value of the economic gains to an imperialistic nation, a moralist might be inclined to introduce other factors. The problem whether a political subjection, which is of the essence of imperialism, is or is not justified raises an uncomfortable question in ethics. However carefully native rights are safe-guarded, these subject races are forced to obey a foreign will not primarily for their own good but for that of the sovereign power. Several industrial nations, above all the United States and in second instance, England, have undoubtedly embarked upon imperialism with a truly missionary zeal for the welfare of the natives. On the other hand, the twentieth century outrages in the Congo were almost as bad as the cruelties of the Conquistadores in Hispaniola and Peru. Even in well-governed countries, like Egypt, the introduction of European legal systems has resulted in the expropriation of innumerable small property-holders, while the increase in population, due to better economic and sani-

<sup>1</sup> "Tropical Agriculture," New York and London, 1916, p. 33.

tary arrangements, has led to an intensification of misery. To what extent the average *fellah* of Egypt is better off than under the reign of Mehemet Ali or of Ismail, how much the Jamaican poor are more prosperous than the poor of Haiti is at best an unpromising inquiry. On the whole, there has doubtless been improvement. In Africa slave-catching has been abolished, and famine and pestilence circumscribed. But the gain such as it is, has been in the main incidental, the by-product of an exploitation primarily for the benefit of others.<sup>1</sup>

Yet however we discuss the moral question, the problem is determined by quite other considerations. So long as hundreds of millions in the industrial countries require and demand that these backward countries be utilised, humanitarian laws will not be allowed to interfere with the main economic purpose of the colonies. The imperialistic argument is always the same: the resources of the world must be unlocked. Three hundred thousand Indians must not be permitted to occupy a land capable of maintaining three hundred millions of civilised people.<sup>2</sup>

<sup>1</sup> The case is analogous to that of the operation of cotton mills in the South. Despite low wages and brutal exploitation of children, the introduction of these mills has automatically raised the standard of living, but the goal desired was not this but the quickest possible making of profits.

<sup>2</sup> "No false philanthropy or race-theory," writes Prof. Paul Rohrbach, one of the more humane of the German imperialists, "can prove to reasonable people that the preservation of any tribe of nomadic South African Kaffirs or their primitive cousins on the shores of Lakes Kiwu or Victoria is more important for the future of mankind than the expansion of the great European nations, or the white races as a whole. Should the German people renounce the chance of growing stronger and more serviceable, and of securing elbow room for their sons and daughters, because fifty or three hundred years ago some tribe of negroes exterminated its predecessors or expelled them or sold them into slavery, and has since lived its useless existence on a strip of land where ten thousand German families may have a flourishing existence, and thus strengthen the

The earth and the fulness thereof belong to the inhabitants of the earth, and if the product is somewhat unevenly divided, that, the imperialists assert, is hardly to be avoided. Back of the ethical argument lie necessity and power. Let the backward countries be exploited with the utmost speed; in the centuries to come, we will go into these moral questions at our leisure.

This submission of ethical ideals to economic needs is illustrated in the prevailing colonial labour policy, which reveals with clarity the quality and power of the economic impulse to imperialism. The great industrial nations, having reached the economic stage in which an ample labour supply can be secured without other compulsion than that of hunger, accept at home the ideal of a free labour contract, with a certain protection to the wage-earner. In their colonies, however, though they may wish to be fair to the natives, one form or another of forced labour is generally adopted. An African native, who wants little here below and can get that little easily, is compelled to neglect or surrender his diminutive banana patch or farm and come to the European's plantation or mine, or work for nothing or next to nothing on the public roads. Either this compulsion is exerted by means of a heavy hut tax, the money to pay which can be obtained only by wage-labour, or by stringent vagrancy laws, or by a refusal to allow the natives to become independent proprietors, or by outright expropriation. In some colonies penal labour contracts are enforced, and the miserable native who breaks his agreement is imprisoned or flogged. Credit bondage is also in favour, and no sooner does the native work off his original indebtedness than he finds that he is more in

very sap and force of our people?"—Rohrbach, "German World Policies" ("Der deutsche Gedanke in der Welt.") Translated by Edmund von Mach. New York (Macmillan), 1915 (pp. 141-2.)

debt than ever. Finally if the natives cannot be compelled to give enough labour, coolies are imported, chiefly from China and India, and after their period of service are expatriated.

Even a more direct pressure is not always wanting. While the imperialistic nations theoretically oppose slavery, and have rather effectively checked the horrible slave trade of the Arabs, they themselves have not always escaped the temptation to introduce slavery under new forms. At various times and in various colonies, the *corvée* has been adopted both for public and private works, and in the Belgian Congo a thinly disguised slavery in its most atrocious form has been adopted. To justify this European slavery, which is infinitely more brutal than was the mild and customary native slavery, the same ethical and religious arguments are advanced as were utilised by the sixteenth century Spaniards in establishing their *encomiendas*. The natives, especially in Africa, are lumped together as worthless idlers, and their benevolent rulers are urged to teach these benighted creatures the Christianity of hard and continuous labour.<sup>1</sup> But the real motive is to secure the greatest amount of profits for the investors and of tropical produce for the European popula-

<sup>1</sup> Prof. Paul S. Reinsch, from whose admirable books I have drawn extensively in this description of colonial labour, rescues from undeserved oblivion an article by the Rev. C. Usher Wilson on "The Native Question and Irrigation in South Africa," published in the *Fortnightly* for August, 1903. "A careful study of educated natives," writes this pious gentleman, "has almost persuaded me that secular education is not a progressive factor in social evolution. The salvation of a primitive people depends upon the force of Christianity alone, special attention being paid to its all-important rule 'six days shalt thou labour.' . . . In the education of the world it has ever been true that slavery has been a necessary step in the social progress of primitive peoples."—Reinsch, "Colonial Administration," New York, 1912, p. 383.

tions. Whether even from this point of view a less exacting and ruthless labour policy might not be desirable need not here be discussed. What is immediately significant is the immense power of the forces driving European nations into colonial policies, intended to increase the export of tropical products.

Because of this demand for tropical produce, tropical markets, tropical fields for investment, the vast machinery of imperialism is set in motion. Because of this demand, present and future, European armies march over deserts and jungles, and slay thousands of natives in spectacular *battues*. To satisfy the needs of European populations and adventurers, millions of brown men toil in the crowded, dirty cities of India, on sun-lit plantations in Java and Egypt, in the cotton fields of Nigeria and Togo. To grasp this imperialism, to realise the big, pulsing, dramatic movement of it, one must view the peons on hennequin plantations, the barefoot Mexican labourers in silver mines, the rack-rented fellaheen in the Nile Valley, the patient Chinese and Japanese toilers on the Hawaiian sugar plantations. One must gain a sense of the dull ambitions and compulsions working on these men, the desire for the cheap products of Manchester and Chemnitz, the craving for liquor, the fear of starvation and of the lash. And as these coloured peoples toil, not knowing for what they toil, other men in London and Paris, in Berlin, Brussels and New York are speculating in the securities which represent their toil. They are buying "Kaffirs" as they once bought "Yankee rails." Seated in their offices, these white-faced men are irrigating deserts, building railroads through jungles and wildernesses, and secure in the faith that all men, black, yellow and brown, can be made to want things and work for things, are revolutionising countries they have never seen. Even these organisers, these



seemingly omnipotent shapers of the world, are themselves only half-conscious agents of a vast economic process not solely desired by a class or nation but dictated by a far wider necessity. It is a process varied in its many-sided appeal; a process which reveals itself in the transfusion of capitalistic ideals by means of little school-houses in the Philippines, by means of the strict and rather harsh justice in British colonies, by means of the unconscious teachings of Christian missionaries, by means of the swift decay of ancient, tenacious faiths. It is a process linking the ends of the world, uniting the statesmen and financiers of the imperialistic nation with wretches in the swarming cities of the East, with half-drunken men seeking for rubber in tangled forests, with negroes searching over great expanses of country for the ivory tusks of elephants, with the Kaffirs in the diamond mines who enter naked and depart naked, and whose bodies are examined each day to discover the diamonds which might be buried in the flesh. At one end of the line are the urbane diplomats seated about a table at some Algeciras, at the other, in the very depths of distant colonies, there is slavery, flagellation, political and intellectual corruption, missionary propaganda, and the day to day business and planning of white settlers, who are anxious to make their fortune quick and get back to "God's own country." It is a process so vast, so compelling, so interwoven with the deepest facts of our modern life that our ordinary moral judgments seem pale and unreal in contact with it. And so too with religion. Christianity which changed in its passage from Judea to Rome and from Rome to the Northern Barbarians takes on again a new aspect when imperialistic nations encounter the peoples they are to utilise. This imperialistic Christianity defends forced labour and slavery as an advance over a mere doing nothing. The parable of the ten tal-

ents is the one Christian doctrine in which the imperialist fervently believes.

This modern imperialism, which compels subject peoples to work at extractive industries at the behest of the swarming millions of the industrial nations, which excites, stimulates, urges, pushes, forces coloured peoples to raise bananas and cotton and buy shirts, gew-gaws, and whiskey, is at bottom a movement compelled by the economic expansion and necessity of the older countries. It is an outlet for the pressure, strain and expansiveness of the growing industrial nations, an outlet for industrialism itself. It ranges the industrial nations as a whole against the backward agricultural countries, and binds them together into a forced union, in which the industrial nations guide and rule and the backward peoples are ruled.

But while the industrial nations have a common interest in imperialism, they have also separating and antagonistic interests. Though the nations would prefer to have any one of their number, England, Germany or France, rule all tropical countries rather than go without tropical colonies at all, each nation, for economic, as well as political and military reasons, desires that it, and not its neighbour and competitor, should be the supreme Colonial Power. It is because of this fact that modern imperialism takes on the form of a bitter nationalistic competition for colonies, and leads to diplomatic struggles and eventually to war.

## CHAPTER VIII

### IMPERIALISM AND WAR

IF the entire imperialistic process could be directed by one omniscient individual, representing the interest of all industrial and agricultural countries, the progress of imperialism would be regular, rapid and easy. Or if one nation, say England, could take over all colonies and run them in the common interest of the industrial nations alone, imperialism would be robbed of its greatest peril, that of embroiling the nations in war. Unfortunately we have hit upon no such device for preserving the common interest of imperialist nations, while safe-guarding their separate interests. Each nation desires the biggest share for itself. Imperialism is directed by the conflicting ambitions, crude pretensions and confident vanities of selfish nations, and in the conflicts of interest that break out, the soup is spilled before it is served.

From an economic point of view, this special interest of the nations in imperialism, like their common interest, is three-fold: markets for manufactured products, opportunities to invest capital and access to raw materials. If trade never followed the flag, if India imported as much from Germany as from Great Britain, and Madagascar as much from Austria as from France, if there were an absolutely open door in each colony and a real as well as legal equality for all merchants, there would be a weaker competition for the dominion of backward countries.

Germans, Englishmen and Frenchmen might then compete on equal terms in Morocco, Egypt and Southwest Africa as they compete to-day in Chile or Argentina. But no such equality exists in countries controlled by European powers, and many of these colonies are consciously utilised in a bitter economic competition between the nations.

To what such competition may lead is suggested in a sensational article in the *Saturday Review* of almost twenty years ago. Says the anonymous author of this article: "In Europe there are two great, irreconcilable, opposing forces, two great nations who would make the whole world their province, and who would levy from it the tribute of commerce. England, with her long history of successful aggression, with her marvellous conviction that in pursuing her own interests she is spreading light among nations dwelling in darkness, and Germany, bone of the same bone, blood of the same blood, with a lesser will-force, but, perhaps, with a keener intelligence, compete in every corner of the globe. In the Transvaal, at the Cape, in Central Africa, in India, and the East, in the islands of the Southern sea, and in the far Northwest, wherever — and where has it not? — the flag has followed the Bible and trade has followed the flag, the German bagman is struggling with the English pedlar. Is there a mine to exploit, a railway to build, a native to convert from bread-fruit to tinned meat, from temperance to trade-gin, the German and the Englishman are struggling to be first. A million petty disputes build up the greatest cause of war the world has ever seen. If Germany were extinguished to-morrow, the day after to-morrow there is not an Englishman in the world who would not be richer. Nations have fought for years over a city or a right of succession, must

they not fight for two hundred and fifty million pounds of yearly commerce?"<sup>1</sup>

No doubt this assertion of a complete opposition between British and German commerce and investment contains an element of exaggeration. In 1913 England was the greatest consumer of German goods and Germany an excellent customer of Great Britain and the British colonies. If Germany were to be extinguished, Englishmen would be poorer, not richer. Yet the competition between German bagman and English pedlar is real, and this commercial competition is merely an expression of a far more significant industrial competition. As German organisation, science, and technical ability build up iron, steel, machinery, chemical and other industries, British industry, though still growing, finds itself circumscribed. If national colonies can be utilised for special national advantage, financial, industrial or commercial, the attempt will be made. If trade and investment can be made to follow the flag, the nation has an interest in securing colonies.

There is always a certain presumption that colonials, partly from tradition, and partly from commercial patriotism, will deal with their home country. The merchant in British colonies is familiar with British firms and trade-marks and rather resents the necessity of becoming acquainted with foreign wares and the standing of foreign merchants. Prices being equal, we patronise the people we know and like. Investment also leads to trade. The Englishmen who control the vast resources of India, tend, without compulsion, to buy of British merchants. The possession of even a free-trade colony often insures the retention of its most profitable commerce.

It is true that this presumption in favour of the home

<sup>1</sup> The *Saturday Review*, Volume LXXXIV, Sept. 11, 1897.

nation may be overborne. Lower prices, better service, a more active and intelligent business propaganda may divert trade to foreign merchants. Before the war, German manufacturers found an increasing market in British colonies, overcoming colonial prejudice as they overcame the prejudice in Great Britain itself. Geographical nearness is even more decisive. Thus Canada is economically far more closely bound to the United States than to England. In 1913-14 we sold Canada \$3.11 worth of goods for every dollar sold by the United Kingdom.<sup>1</sup> To Jamaica our exports exceeded those of the United Kingdom, while our imports from the island were over three times as great as the British imports.<sup>2</sup> The United States profits far more immediately from the economic development of Canada and Jamaica than does the United Kingdom.<sup>3</sup>

In the main, however, even under free trade, subtle influences are constantly at work to bring the colony into closer commercial relations with the home country. Thus in 1913-14, 64 per cent. of the imports of British India came from the United Kingdom, and other British dependencies showed a similar preponderance of trade with Great Britain.<sup>4</sup> The volume of the entire traffic between the home country and its colonies is overwhelming. In 1914, the United Kingdom imported from British posses-

<sup>1</sup> Our exports to Canada in that year amounted to \$410,786,000; those of the United Kingdom, \$132,071,000. Our imports from Canada were \$176,948,000; the imports of the United Kingdom, \$222,322,000 (Canadian figures). *Statesman's Year Book*, 1915, p. 285.

<sup>2</sup> Jamaican imports (1913-14). From the U. S., £1,326,723; from the U. K., 1,088,309. Exports: to the U. S., £1,396,086; to the U. K., £424,491 (Jamaican figures). *Statesman's Year Book*, 1915, p. 327.

<sup>3</sup> Naturally our proportion of the trade would be still greater if Canada and Jamaica were within the American customs union.

<sup>4</sup> *Statesman's Year Book*, 1915, p. 149.

sions no less than £205,173,000, or over 29 per cent. of its total imports, and exported to these British possessions £179,350,000 or almost 42 per cent. of its total exports (of British produce).<sup>1</sup> This trade, which is increasing faster than the total trade of the United Kingdom, is peculiarly valuable. From her overseas dominions Great Britain secures a far larger proportion of food products and raw materials than from foreign countries, and to these overseas dominions she sends a large proportion of manufactured goods, containing a high percentage of labour. Thus, says Prof. Reinsch,<sup>2</sup> "From the point of view of the development and prosperity of national industry it is important that the exports of the nation should be composed largely of manufactured goods, the value of which includes as high as possible an amount of labour cost. The export of raw material, of coal, of food materials, and of machinery used in factories, cannot be considered of the highest advantage to the industrial life of a manufacturing country, nor is it most profitable from a national point of view to furnish foreign countries with ships, which help to build up their merchant marines." But according to the figures of 1903 "only 10 per cent. of the exports of British goods to the colonies consist of those commodities which the national industry derives relatively the least profit from, while for foreign countries the figure is 27 per cent."<sup>3</sup>

<sup>1</sup> In 1913 the trade of the United Kingdom with British possessions was still greater, though it formed in that year a smaller percentage of the entire trade of the country. *Statesman's Year Book*, 1915, p. 77. The trade of the United Kingdom with foreign countries was considerably less (in 1913) than was that of Germany.

<sup>2</sup> "Colonial Administration," pp. 210-11.

<sup>3</sup> *Op. cit.* "It has further been shown that in the foreign trade of Great Britain the export of manufactured goods is declining while that of raw material and machinery is increasing."

The general colonial trend has been in the direction of deliberately securing by legislative means a preferential advantage for the home country. "France," writes Dr. Wilhelm Solf, former German Secretary of State for the Colonies, "has assimilated Algeria and a portion of her colonies from the point of view of customs. She regards them almost completely as within her tariff boundaries, which fact gives French commerce the advantage over that of other nations trading with these colonies. In regard to her other colonies France has introduced preferential tariffs favouring the motherland, and reciprocally the colonies, which amount to as much as 85 per cent. of the normal duties. In Tunis, likewise, France has favoured her own trade in important lines, such as grain, by admitting them free of duty when carried in French bottoms. Portugal has introduced discriminating customs rates up to 90 per cent. of the regular tariff in favour of her own colonial shipping. Spain has acted similarly. England also enjoys tariff advantages as high as 33 per cent. of the normal rate in her self-governing colonies. She has in this manner secured for British industry a market which, without this preference, she would not have been able to maintain to the same degree. Likewise, the United States has to a large extent assimilated its colonies in customs matters. Belgium has, it is true, no preferential tariff, but by means of her extensive system of concessions she has practically precluded the competition of other states and secured a monopoly in the trade with her own colonies."<sup>1</sup>

<sup>1</sup> "Germany's Colonial Policy," in "Modern Germany in Relation to the Great War." New York, Mitchell Kennerley, 1916, p. 152. See also "British White Book," a report on Colonial Preferences given in various countries. Oct. 21, 1909, No. 296. For an able analysis of the results of the open and the closed door in colonies see Jöhlinger (Otto), "Die Koloniale Handelspolitik der Weltmächte," (*Volkswirtschaftliche Zeitfragen*) Vol. XXXV, Berlin, 1914.



No such colonial preference amounts to a complete exclusion of the trade of competitors. The Germans, not the English, are the chief purchasers of India cotton, and from the German colonies, diamonds go chiefly to Antwerp, West African copper to the United States and Belgium, and East African skins and hemp to North America. In many colonies and dependencies a complete legal equality of trade is maintained. On the whole, however, whether as a result of tariffs or of quiet discrimination by local authorities, the foreign merchant finds obstacles placed in his way and the trade goes to the home country. Thus in 1914, of Algerian imports 84 per cent. came from France, while of her exports 79 per cent. went to France.<sup>1</sup> The trade of all the other French colonies and dependencies tends also to go to France. Thus of the import of all French colonies and dependencies (exclusive of Algeria and Tunis) 45 per cent. in 1913 came from France and French colonies, while of the exports 42 per cent. went to France and French colonies.<sup>2</sup> Similarly in 1909 of the entire import and export trade of German colonies (exclusive of Kiau-Chau), 65.3 per cent. were with Germany.<sup>3</sup>

To the citizens of the home country go also the investment opportunities, the chances to secure concessions for mines, railroads and tramways. The legal right to these lucrative monopolies inheres in the nation that develops the backward country. This preferred position, this assured possession of a sole and undivided privilege is of the essence of imperialism. All the economic arguments for peace based upon the theory that trade heals enmities,

<sup>1</sup> Statesman's Year Book, 1915, pp. 893-94.

<sup>2</sup> Statesman's Year Book, 1915, p. 882.

<sup>3</sup> But the whole trade was small, amounting to less than 1 per cent. of the entire foreign trade (in 1909) of Germany.

shatter upon this fact. Free traders never tire of insisting that trade is reciprocally advantageous, blessing him who sells and him who buys; that the more trade there is, the more there is to get. They argue that England, Germany, America and Japan might continue until the end of time amicably exporting pianos and gingham aprons to the backward peoples, and receive in return unimaginable quantities of sugar, rubber and tobacco. But modern imperialism, extending its dominion ever further, is dreaming not alone of this field for competitive selling, but of concessions, monopolies, exclusive privileges, immensely lucrative pre-emptions. There are whole worlds to exploit, and whoever rules garners. When France extends her sway over North Africa and develops these lands, the valuable concessions go to French corporations. The actual capital used comes in last analysis from the great capital fund of Western Europe, from French, English, Belgian, Dutch and German capitalists, and whoever wishes to make four or five per cent. may lend his money to the banks that lend to the development companies that invest in the new country. But the big profit — the cream — does not go to these petty ultimate investors but to the political and high finance promoters, and these are French if the enterprise is French. Moreover, trade accompanies and follows investment, and if France secures control, the imported locomotives, rails, cars and mining machinery come from France. In Morocco, France keeps the inside track, as does England in Egypt and India, and Germany in Togo and East Africa. Let who will pick up the scraps.<sup>1</sup>

<sup>1</sup>In his defence of German Colonial policy, Dr. Solf makes much of the fact that of the total sum of 506,000,000 marks invested in German colonies, no less than 89,000,000 marks belongs to foreigners. But this means that Germany which has little capital to export has invested over 82 per cent. and all the other countries of

This prevailing monopolistic character of colonial exploitation led prior to the War of 1914 to great dissatisfaction among those powers, which were least favoured colonially. In Germany liberal imperialists like Paul Arndt and Friedrich Naumann bewailed the fact that Germany was industrially handicapped because of the meagreness of her colonial possessions. "Germans," complained Prof. Arndt, "receive no railway, harbour, shipping, telegraph or similar concessions in English, Russian, French, American and Portuguese colonies. Everywhere citizens are preferred to foreigners, which is easily explicable and in fact natural. . . ." <sup>1</sup> As colony after colony is formed, the field for the free competition of Germany with the world is narrowed, so that at last only countries like Abyssinia, Siam, China and above all the southern half of America remain independent and open. The French success in gaining and closing colonies arouses German envy. Why is France's colonial empire more than two and a half times as large as that of Germany? asks Dr. Naumann. How is France ahead of us? "We have beaten her in the field of battle, but she has recovered diplomatically. She is weaker in a military sense but in a political sense stronger." <sup>2</sup> Between envying France her colonial empire and determining at some favourable opportunity to redress the inequality is but a short step.

To discontent with the present is added fear for the the world less than 18 per cent. Moreover the character of the investment, not the absolute amount, is significant. Competitive investment, as in a brewery or cotton factory, does not bring the same profit as does a concession for a railroad, tramway or bank.

<sup>1</sup> Paul Arndt. "Grundzüge der auswärtigen Politik Deutschlands," quoted by Ludwig Quessel, *Sozialistische Monatshefte*, Vol. 19, II, June 12, 1913.

<sup>2</sup> Fr. Naumann. *Die Hilfe*, Nov. 16, 1911. Quoted by Ludwig Quessel. "Auf dem Weg zum Weltreich." *Sozialistische Monatshefte*, Vol. 19, 1913.

future. Those nations, which are least blessed with colonies and which lack at home a broad agricultural base for the support of their industries, look anxiously towards a possible development, which will rob them not only of their markets and investment opportunities but also of their necessary raw materials. To the country ruling the colony belongs in last instance the right to decide what shall be done with its food and raw materials. Suppose that Australia, by a special arrangement with the mother country, lays a heavy duty upon all wool exported to other countries than Great Britain, and thus makes German competition in the woollen industry impossible. Suppose the cotton supply of the United States is rendered dearer by some scheme of valorisation, like that which Brazil applied to coffee exports, or by action of financial groups in America, or, given a change in the Federal Constitution, by an export duty on raw cotton. How then will Germany compete? What could Germany do if foreign nations shut her off from access to ores, foods and textiles? How could she solve the problem of a dwindling supply of iron ore? As population outstrips home production of raw materials, the dependence of industrial nations upon the countries producing such materials increases, and the fear arises that such foreign resources will be monopolised, and the excluded industrial nations forced to stop their advance and to descend in the scale of power. As this fear grows, the backward countries cease to be regarded as a common agricultural base and become merely separate national preserves. Each nation strives by means of an exclusive possession of colonies to become self-sufficing. The competition for colonies becomes a struggle for national existence.

In such a struggle for national existence, all vested rights go by the board. A nation needing outlets will pay

small heed to maxims concerning peace, internationalism and the status quo; it will ask for the title deeds of the nations that own what it wants. So long as Germany, for example, felt that colonies were absolutely essential to her future prosperity, it mattered little to her that England and France had been first in the field, that they had planted and sowed in foreign fields while she was still struggling to secure national unity. "Where were you when the world was divided?" the Germans asked themselves, and they came to the belief that their own economic needs justified their colonial ambitions, wherever those ambitions might lead them. Rather than have the world shut to them they were willing to make sacrifices and incur dangers. War, they held, was better than stagnation, poverty and famine.

But for a country like Germany colonial ambitions conflicting with those of other European powers are especially dangerous, because a struggle for Africa or Asia means battles in Champagne, Westphalia or Posen. "The future of Germany's world policy," said an author who wrote under the pseudonym "Ruedorffer," "will be decided on the continent. German public opinion has not yet fully comprehended the interdependence of Germany's military peace in Europe and her freedom of action in her foreign enterprises."<sup>1</sup>

Though Bismarck understood this interrelation, he was primarily interested in the European and not in the colonial situation. "Bismarck," wrote Ruedorffer, "looked upon the consolidation of Germany's newly acquired unity as the first and principal task after the fortunate war with France. To divert the attention of France from the Rhine

<sup>1</sup> Ruedorffer, J. J., "Grundzüge der Weltpolitik in der Gegenwart," Stuttgart und Berlin, 1914, quoted by Paul Rohrbach, "Germany's Isolation" ("Der Krieg und die deutsche Politik"). Chicago, 1915,

border, he favoured, as much as he could, French expansion in Africa and Asia. When, toward the end of his career, he attempted to secure, for a future colonial activity of Germany, a few African tracts which had not yet been claimed by any other power, he was extremely careful not to encroach upon England's interests. He avoided pushing Germany's claims beyond Southwest Africa and annexing the *hinterland* of the Cape Colony, a territory to-day known as Rhodesia. . . . Bismarck kept Germany's world policies within the limits which, according to his opinion, were prescribed by her continental policies."

As German colonial ambition grew, however, partly as a result of her fear of exclusion from colonial markets and sources of supply, she began to fear that she might raise up enemies in Europe itself. "In every enterprise," wrote Ruedorffer, "whether on African, Turkish, Persian, or Chinese soil, Germany's policy will necessarily have to take account of the presumable reaction on the European political constellation. If Germany encounters Russian interests in Turkey, in Persia, or in China, she will thereby bind Russia still more closely to immutable France; if she infringes upon England's interests in Mesopotamia, she will see England on the side of her opponents." "This reciprocal dependence of world policies and continental policies constitutes, if you please, a *circulus vitiosus*, the vicious circle of Germany's foreign policy. German enterprises abroad react on the continental policy, and it is under pressure from the continental policy that Germany's world policies find their limitations."

As a result Germany, with potential enemies on all sides, was constantly oppressed by the *cauchemar des coalitions*, the nightmare of jealous hostile alliances.

It is this dependence of colonial upon continental politics that intensifies the dangers of imperialism, increases

its ruthlessness and recklessness, and causes it to become a deadly conflict, with diplomacy *à la manière forte* in the foreground, and in the background, war.

The danger of war as a result of imperialism is immensely increased by the disunion and disequilibrium of Europe. The continental nations are always embattled and ready to strike. It is not an accidental or transient condition but is rooted deep in geographical, historical and economic causes. Europe, since history began, has been overfilled with clashing peoples and races with variant beliefs, traditions and languages, and with opposed economic interests. To grow, to prevent others from growing, these crowded groups went to war.

It was no fault or vice of the Europeans, but merely the tragic fact that there was no firm basis for European union. After the downfall of the Western Roman Empire, no power was strong enough to dominate Europe. The dreams of universal dominion of a Charlemagne and of a Rudolf of Hapsburg remained dreams; the great, loose federations like the Holy Roman Empire were no match for the smaller but more compact nations, which grew up after the Middle Ages. These new nations, moreover, inevitably meant increased antagonism, a perpetual struggle for more territory, more trade, more gold; a despotic, militaristic, fighting society. The age of the rise of nations was also that of professional armies under the direction of a despot, and of wars for the spoliation of still unorganised peoples, like the Germans and the Italians.

If European union was difficult to achieve in past centuries, it has become even more difficult to-day. The last century has been the century of nationalities, a period during which nations and nationalistic groups developed consciousness. Group consciousness is, of course, no new thing, for all groups, possessing survival quality, have con-

ceit, self-esteem and veneration for the bond that unites them and for all qualities, characteristics, experiences and institutions which distinguish them. To-day this group consciousness has become national consciousness, and the impulse towards nationalistic expression spreads and makes itself felt not only in organised nations but also among submerged, conquered and dispersed peoples like the Czechs, Poles, Finns and Irish. The clash of Europe's hundreds of millions for a satisfactory existence upon an insufficient area is intensified by the marshalling of these millions into nationalistic groups, speaking different languages and ruled by hostile traditions.

The antagonism is the worse because in many parts of Europe history and geography have conspired to jumble ethnic and linguistic groups without mixing them. In Bohemia, East Prussia, Dalmatia, Macedonia and Lorraine, hostile groups intermingle without fusing. Though the last century has brought about a certain approximation of state boundaries to the boundaries of nationalities, the process is far from complete. About many nations there is a fringe of people of like nationality subject to other states. Roumania, Servia, Italy, each has its *Irredenta*; Austria-Hungary, Russia and Turkey are loose bundles of nationalities, hating each other, while the Balkan States cannot discover any nationalistic principle upon which to divide up Macedonia. Each nationality seeks independence and strength to maintain itself against the encroachment of rivals, and this desire for self-preservation through size, causes a nationality, which has attained to nationhood, to oppress smaller nationalistic groups within its borders. The condition is artificial and anomalous. Absurd nationalistic claims are advanced in defence of aggression, and while learned Pan-Slavs convert Balkan



dwellers into Russians, the Dutch, Flemings and Danes are proved by Pan-Germans to be only Germans once removed.

The progress of democracy has intensified this nationalistic strife and made it a matter of *amour propre*. So long as no citizen had rights, it mattered little whether the King were German or Hungarian. With the participation of the people in government, however, the subject nationalities feel themselves disgraced. The Pole longs for a free democratic Poland; he is not content to become German, Austrian or Russian. Rather than surrender his nationality he is willing to tear up the map of Europe and thrust the world into war.

In this condition we have the seeds of perpetual conflict in Europe. Partly for the sake of increasing the national strength and partly for the benefit of certain financial groups, the lesser nationalities are ruthlessly exploited by the dominating nationality within a given country. The oppression of Roumanians and Slavs by the Magyar ruling classes of Hungary causes a deep revulsion of feeling in Roumania, Servia and other countries across the border, just as the ambitions of Pan-Germans to make Germany a nationalistic state arouse the indignation of the French and the fears of the Dutch and Danes. Moreover the nationalistic groups often discover that they have antagonistic economic interests.

The danger of this situation is immensely increased by the fact that all these hostile nations impinge territorially on one another, and modern warfare gives an enormous advantage to the nation gaining the initial success. Austria, Belgium, France may be overrun and permanently defeated by a campaign of six or seven weeks, and it is difficult thereafter to retrieve these early defeats. Euro-

pean nations therefore live in the fear of immediate attack and conduct a hair-trigger diplomacy

This is the true interpretation of *Realpolitik*, of a nationally selfish policy, devoid of sentiment and laying an excessive emphasis upon immediate and material ends. A nation in danger of annihilation cannot indulge in the luxury of sentiment, cannot consider long time views, cannot be over-generous or trust to the generosity of rivals. Each nation is compelled to enter into offensive and defensive alliances, and these alliances, perpetually suspecting each other, are compelled to prepare for instant war.

But preparation for war under such conditions makes war inevitable. If a nation believes that it is to be assailed, five, ten or fifteen years from now, it is tempted to precipitate the "inevitable" war at the moment when its chances are the best. The doctrine of "the war of prevention," however perilous, is, in the prevailing circumstances, natural. It is meeting a supposedly inevitable danger half way.

Still another element adds to the menace of imperialism. Just as a successful imperialistic policy depends upon the ability of the European nation to defend itself at home, so also it depends upon access to the colonies, upon a control of the seas. Had Spain been a hundred times as powerful on land as the United States, she still could not have defended Cuba. Were Germany to secure valuable colonies, she could not be sure of their retention against England (which lies on Germany's lines of communication), so long as the British possessed an overwhelming naval supremacy. It was therefore natural, and indeed inevitable, that, sooner or later, German colonial ambitions should find expression in a naval expansion, which, whatever the intentions of its promoters, was potentially a menace to the British Empire and even to the very exist-

ence of England. The desire for imperialistic expansion thus led, in the absence of any formula of reconciliation upon a higher plane, to an irrepressible conflict between England and Germany, in short, to a world war.

Herein lay and still lies the peril of imperialism, the danger that for fifty years to come Europe, and perhaps America also, will be again and again embroiled in wars immeasurably more destructive than were the long colonial wars of the eighteenth century. The present world war does not automatically end the imperialistic struggle. There is China to consider, there is the independence of Latin America, to say nothing of colonies securely held for the time being by one or another of the European powers. The allies, if successful in this war, will not necessarily remain allies. The ambitions of England, of Russia, of Japan, not to speak of France, Germany, Italy and perhaps the United States, may come into conflict. Nor upon the signing of a treaty of peace will the forces making for imperialism become extinct. In the future, as in the past, a nationalistic competition for colonies will carry with it the seeds of war.

## CHAPTER IX

### INDUSTRIAL INVASION

THE direct competition between great industrial nations for the products and profits of the backward countries would suffice to create an international antagonism even if no other economic forces contributed to this result. Closely though not obviously bound to this struggle for colonies, however, is an equally intense struggle among the industrial nations to force their way economically into each other's home territory. Germany, it is alleged, forces her way industrially into France, Switzerland, Italy, Belgium and Holland. She penetrates these countries economically, crushes their industries, forces upon them her own industrial products, extracts from them the profits which should go to their own manufacturers. Industrially, commercially, financially she seeks to rule Italy and Belgium as Great Britain rules the Argentine or Canada. She holds these countries, so it is claimed, in industrial non-age. It is all a quiet economic infiltration, a matter of buying and selling and of lawful contracts, but it is none the less war. "War is war," admits Prof. Maurice Milloud, a student of this phenomenon of German industrial expansion, "but make no mistake that it is war."<sup>1</sup>

Within the last few years there have appeared numerous books by French, Swiss, Belgian and Italian<sup>2</sup> publi-

<sup>1</sup> "The Ruling Caste and Frenzied Finance in Germany." Boston, 1916, p. 104.

<sup>2</sup> See in the first instance Milloud, *op. cit.*, and Prof. Henri Hauser, "Les Méthodes Allemandes d'expansion Economique," Paris, 1916.

cists attacking the policy by which Germany prior to the war secured a partial control of her neighbouring markets. With the merits of this controversy and with the morality or immorality of the procedure, we need not concern ourselves. To us the only point of interest is the nature of the economic forces leading to such a conflict and the effect of this conflict in creating national animosity and in inciting to war.

All the industrial nations export to one another as well as to the agricultural countries. Why, then, is Germany's course so bitterly resented?

At first glance one might suppose that the chief objection to this German enterprise lay in its ruthlessness and economic terrorism. A French manufacturer of formic acid is crushed outright by a sudden price reduction; a Swiss or Italian manufacturer is ruined by being spied upon by his own employés in the pay of a German competitor. But the main objection to the German competition seems to be its formidableness. Germany exports not only wares but men, and in all the neighbouring countries are to be found German chemists, engineers, business men and clerks. It is claimed that these pioneers hold together, advance together, maintain the cult of *Deutschtum* in an alien country, and act as agents for the home industry. It is also claimed that Germany "dumps" her goods on foreign markets, thus causing losses or even total destruction to rival industries. Yet all these things have been done before, and even the nations which object are not always innocent of like practices. What is deeply resented, however, is that the German competition is a disciplined state-aided competition, that it is collective rather than individual. The Belgian, Italian or Dutch also G. Preziosi, "La Germania alla conquista dell' Italia," Florence, 1915.

manufacturer feels that behind his German competitor stand the gigantic power and resources of the whole German nation. It is not individual Germans who compete, but Germany; a patient, resourceful, long-sighted Germany, willing to make temporary sacrifices for permanent gains, a Germany forced to expand industrially and bending its immense wealth and power to this one purpose. Against such an organised body what can a single manufacturer avail?

The means at Germany's disposal in this invasion of near-lying markets are varied and great. Industry is organised; the German has a genius for organisation. In all the near-lying countries, concerns with German connections open up a wide channel for the incoming wares. In Antwerp, in Rotterdam, in Zurich, a large part of the big business is in German hands. German banks are established and these aid directly or indirectly in the importation of German commodities. Moreover, the Germans are better informed than any of their rivals concerning all the minute knowledge necessary to the conquest of a local market. Their business plans are not only far flung but meticulous; they have a card-index method of study and their training is admirably adapted to just these methods of commercial penetration.

No such penetration would be possible, however, but for the intelligence with which German industry is conducted at home. In Germany the scientifically trained man is more highly regarded than in any other country. The chemist, the engineer, the specialist of every sort is called into consultation and the laboratory is united to the factory. The vast expense of maintaining a corps of inventors forever working at new problems is more than compensated for by the frequent technical improvements which result from their studies. The scientific men employed by

the German chemical factories have revolutionised methods and given Germany almost a monopoly in this rapidly growing industry. In Germany also, as in America, there is a willingness to discard old methods and machinery, whatever the initial expense. In a few years the losses due to the change are retrieved and the German business is creating values more efficiently than ever.

Such an industry must in its nature be immensely productive. The Germans, like the Americans, are successful in mass production, the fashioning of vast quantities of cheap, standardised articles. Factories tend to grow larger. Formerly competing concerns are united into associations or cartels, which buy or sell in common, save a vast amount of unnecessary friction within the trade and act as a clearing house for information and ideas. A high protective tariff enables these cartels to maintain a remunerative price in the home market while dumping their surplus products upon foreign markets.

What this "dumping" may mean for manufacturers in the countries upon which the wares are dumped may be made clear by an example. "The German iron-masters," writes Prof. Milloud, "sell their girders and channel iron for 130 marks per ton in Germany, for 120 to 125 in Switzerland; in England, South America and the East for 103 to 110 marks; in Italy they throw it away at 75 marks and *make a loss of from 10 to 20 marks per ton*, for the cost price may be reckoned at 85 to 95 marks per ton."<sup>1</sup> Other iron products have been sold by Germans in Italy far cheaper than they could be sold or even produced in Germany, with the result that the struggling Italian iron industry is hardly able to exist. Nor is this dumping a mere temporary expedient to relieve the German manufacturer of an unexpected surplus. It is sys-

<sup>1</sup> *Op. cit.*, pp. 104-5. His italics.

tematic, organised and intentional, designed to destroy competitors and establish a monopoly. It is a procedure with which we in America are unpleasantly familiar, since it has been long the practice of our trusts to destroy competition in a circumscribed local market by temporarily reducing prices and then to raise prices after the competitor is *hors de combat*.

The most striking difference between the flooding of adjacent markets by German cartels and the destruction of competitors by American trusts is that in the former case the operation is international, and the manufacturers who suffer live in one country and those who profit in another. Moreover, the German Government is itself directly concerned in the process. Not only is the Government one of the associated concerns in certain cartels, but by its railroad policy it gives an immense impetus to dumping. Railroad rates are cheaper if the commodity carried is to be exported. To take one out of a thousand instances "the freight of a double wagon of German coal from Duisbourg to Hamburg, a distance of 367 kilometers, costs 57 marks, whilst, in the reverse direction, from the sea-board to the industrial centres in the interior, the freight charge is 86 marks in the case of German coal, and as high as 93 in the case of foreign coal."<sup>1</sup> The Government grants an export bounty upon coal (and other commodities) in the shape of reduced transportation rates.

We need not study in detail the vastness and complexity of that integration of German industry, which permits it to act as a unit in its invasion of near-lying territories. We need not recount the almost vertiginous growth of the German banking system, with its tendency towards a narrow concentration, its bold conduct and control of German industry and its establishment of

<sup>1</sup> Milloud, *op. cit.*, p. 110.



branch organisations in the countries to be invaded. Nor need we consider the practice of long credits by which German manufacturers secure a foothold in new markets or the system by which German capital, labour and intelligence migrate to the foreign country, and as branches of a German concern, continue the process of dumping from within. The significant fact is that the entire process is organised and thought out. It is a concrete national policy for securing German economic control in neighbouring industrial countries.

Nothing could better illustrate the collective nature of this economic invasion than the history of the German cartels. "It is evidently to the cartels," writes Fritz-Diepenhorst, "that Germany owes in great measure the conquest of foreign markets."<sup>1</sup>

The German cartel differs from the trust in that it does not represent the absorption of weaker rivals by one powerful concern but is a federation of business units which retain their legal independence but surrender a part of their industrial and commercial autonomy. In the beginning the German cartels represented an effort to regulate prices in the home market, but after the adoption of a protective tariff and during the period when Germany launched out upon a policy of large-scale exportation, the cartels grew in numbers and power. Their policy was to maintain prices at home and sell at a lower rate abroad. But this policy, owing to a near-sighted individualism, injured the German export industry itself. The coal cartel determined its policy irrespective of the interests of the coke cartel, which in turn fixed its prices irrespective of the interests of the iron industry. As a result vast quan-

<sup>1</sup> *Revue économique internationale*, 1914, II, p. 259, quoted from Hauser (H.) "Les méthodes allemandes d'expansion économique," p. 106.

tities of raw materials and semi-manufactured products were shipped abroad at prices which permitted the foreign manufacturer of finished wares to undersell the German manufacturer. It was a boomerang dumping, which worked to the advantage of the dumped and to the disadvantage of the dumper.

Within the last fifteen years, however, and especially since the report in 1903 of the German Parliamentary Commission on Cartels, this early anarchy has been gradually abolished, and arrangements have been made by which a cartel grants lower prices not only for its own exports but also for such part of its home-sold product as is to be used in the manufacture of more highly finished wares, which are in turn to be exported. The coal used in iron manufactures that are to be shipped to foreign countries is sold cheaper than the coal used in iron manufactures which are not to be exported. A community of interest among the cartels is thus created. The result is an amazing industrial solidarity. "The individual exporter disappeared in the cartel, and the cartel itself is absorbed in this sort of cartel of cartels, which ends by becoming the German industry. . . . For an economic guerilla warfare there is substituted a mass action, a veritable strategy."<sup>1</sup> The excesses of dumping are cured and dumping becomes a national economic policy.

But how can this organised conquest of adjacent industrial countries be averted without some alternative method for the economic expansion of a highly organised industry? The same forces that push Germany and England into an imperialistic policy and into a conquest of the markets of agricultural countries also force them into a competition to secure the markets of industrial countries. The two processes are not quite alike, since the trade between,

<sup>1</sup> Hauser, H., *op. cit.*, p. 128.

let us say, Brazil and Germany is a complementary and mutually beneficial commerce, while the dumping of German rails and girders on Italy is a competition or war between two industrial nations. The impulse and motive in both cases is, however, the same. It is the desire to increase buying power. Germany can secure more of the wool of Australia and of the wheat of the Argentine if she can establish even a limited economic dominion over adjoining countries. It is the lack of a sufficient home market that forces Germany to dump her goods on Switzerland and Belgium just as it forces England to sell largely to her colonies and to invest in backward countries.

How far this policy of industrial invasion can safely go is one of the interesting international problems of the future. It is of course not the desire of any country to sell permanently below cost to the foreigner, since such a policy means, if not actual loss, at least a diminution of profits.<sup>1</sup> Germany would prefer to get the same price for her girders in England and Italy as she does at home. But she must take what she can get. Her industry is based upon a productiveness in excess of the demands of the home market, and she is under the necessity of paying for large importations of food and raw material and of profitably employing increasing numbers of workmen. Her industrial invasion of neighbouring countries is alternative and supplementary to an attempt to secure a

<sup>1</sup> The goods exported to foreign countries may show a profit if they are sold at a price less than the average cost of production but greater than the marginal cost. If it costs \$100 a unit to produce a million units of a given product for the home market and only \$70 a unit to produce an additional 100,000 units then there is a profit in permanently selling this extra amount at any price above \$70. To break down a foreign competition it may pay *temporarily* to sell at 60 or even 30 dollars, in order to raise prices again after competition is destroyed.

needed colonial market. It is, parenthetically, a necessity imposed upon an industrial nation menaced by a constantly growing population.

Be this policy of invasion ever so well organised, however, it cannot escape inherent limitations and obstacles. The German export policy maintained itself only by holding up prices at home, which meant an increased cost of living and a rise in money wages. The imposition of tariffs by neighbouring countries meant an increase in the difficulties to be overcome in exportation and a reduction in the net profits of the foreign trade. To a considerable extent this export of cheapened goods was at the mercy of the importing nations, which, at any moment, might levy prohibitory duties. At the best the whole development led to strong opposition and prejudice, to counter-attacks, to the violation of favouring commercial treaties and to the imposition of punitive duties (as in the Canadian tariff) especially aimed at dumpings. In the opinion of many observers, the policy provided an insecure base for a top-heavy industry, with the result that in Germany industrial crises were frequent and destructive and the economic development showed the weaknesses of a forced growth.

It is too early to pass judgment upon the relative success or failure of this industrial invasion. Prof. Milloud believes that the policy by 1914 had demonstrated its failure, and that the fear of an industrial *débâcle* forced Germany to escape from an impossible economic position by throwing Europe into war. How far this is true it is difficult to determine.<sup>1</sup> It is evident, however, that the

<sup>1</sup> Prof. Milloud's argument based upon the relative growth of British and German exports is far from conclusive. He shows that in the period from 1890-1903 to 1904-08 the German export trade increased only 75 per cent while the British export trade increased

difficulty of this German penetration of adjacent countries must have intensified a desire for an easier market in the colonies. The Italian trade for which Germany fought so hard must have seemed unremunerative and unpromising as compared with the practically monopolised market which France possessed in North Africa or with that which Germany could obtain through the Bagdad Railway and the penetration of Asia Minor. The sharpness of the conflict for nearer lying markets illustrated anew the necessity of securing colonial outlets.

If, however, the competition among industrial countries to secure each other's markets results in national antagonism, the competition of the same nations for the exclusive possession of colonies and dependencies leads, as we have seen, to an equally bitter struggle. The choice seems to lie between the devil and the deep sea. It is no wonder therefore that as the rapid expansion of industry brings the great nations into ever keener antagonism, voices are raised against the whole imperialistic policy. Just as the German consumer objects to paying high prices for German commodities which the Belgian or Italian can buy cheap, so also opposition is encountered to a policy of extending colonial development at the expense and imminent risk of the nation and to the obvious benefit of certain preferred classes in the community.

79 per cent. If we consider the statistics for the subsequent period, 1909 to 1913 (which figures were quite accessible to Prof. Milloud), we find that the German export industry increased much more rapidly than did that of Britain.

## CHAPTER X

### THE REVOLT AGAINST IMPERIALISM

WHAT determines whether a backward country is to be exploited by its own people or by some beneficent imperialistic power is not any consideration of its own welfare, but the chance of profits held out to certain adventurous financiers in the capitals of Europe. These modern pioneers are a ruthless, dangerous group, with the bold, speculative imagination that has marked adventurers since the world began. They have a domestic and a foreign morality, an ethics for home consumption and a fine contempt for "greasers" and "niggers." They know the difference between five per cent. and twenty per cent., and their business consists in investing their money at high rates of profit (because the enterprise is hazardous) and then in taking out the hazard by making their home government compel the fulfilment of their impossible contracts.

The methods of these men are monotonously similar. They lend, they invest, they support revolutions, they invoke "the protection of the flag." They need not pay attention to the public opinion of the backward countries; they do not believe such countries have a public opinion. All that these speculators need is the support of their home government, and that they may secure through bribery, newspaper influence and patriotism. The first two cost money and are worth all they cost; the third can be had for

nothing. As for the excuse for intervention, it is that used by the wolf when he took a fancy to the lamb. Money is loaned at usurious rates to some rogue who poses in history as the President of the lamb republic or to some spendthrift imbecile of a Khedive. Concessions are secured. By a concession in this instance is meant a solemn contract, by which, for and in consideration of nothing, duly paid in hand, the whole nation, its territory and population, are turned over in perpetuity. The negotiations are ratified by a battle cruiser; a few marines are landed, a few barelegged natives are buried in a tropical back-yard, a treaty of peace and amity is concluded between the Imperial Power and its latest morsel, and the real business of imperialism begins. It is good business and pays big dividends.

But to whom do the dividends go? What profit has the French artisan or peasant in all these grand concessions from the illustrious Sultan of Morocco? How does the English workman prosper when English capital employs cheap Indian labour to undersell British factories? Obviously the immediate profits accrue to large capitalists rather than to the mass of the people. If a French peasant can invest his savings in Morocco, he may earn a few extra dollars per year on his holdings of a thousand francs, but his whole interest payment forms a small proportion of his annual income. To the financier, on the other hand, who directs the investment of hundreds of millions, a concession in Morocco is of value.

The case of French foreign investments is pertinent. As a result of the activity of great bankers, who rule both finance and politics, some forty billion francs have been invested in foreign countries. The individual investor has little choice and no intelligent direction in these large affairs. It is even possible that the whole course of French

investments has been disadvantageous; that too much French capital has been sent abroad to cultivate foreign fields (or pay for war preparations) and too little has been absorbed at home. The profit to bankers does not prove that the loans are equally profitable to the nation. In any definite imperialistic policy, as that in Morocco, this difference in interest between the directors and small owners of capital becomes even clearer. The promoters can afford even to risk war, while for the small investor, who, after all, can invest elsewhere, the net gain is less apparent, especially as the war, if it comes, must be fought by him and be paid for by him.

From the beginning, therefore, a revolt or opposition has been manifested (in certain sections of the industrial nations) to the whole principle and policy of imperialism. This revolt relies for support upon those elements in the population who believe either that they are not benefited by imperialism or only slightly benefited. Liberal and socialistic sentiment forms the core and centre of this opposition. For the most part the socialists are theoretically opposed to imperialism on the ground that it is immoral, brutal, anti-democratic and uneconomic. It does not, they believe, pay the people who in the end pay for it.

This anti-imperialistic philosophy of the Socialists is chiefly derived from the anti-colonial attitude of the liberals of the early nineteenth century. That attitude was founded on opposition to special trade privileges, which was the basis of the old colonial policy, and also on the belief that colonies did not benefit the mother country. In the middle of the eighteenth century Turgot had declared that "colonies are like fruits which cling to the tree only till they ripen," and he predicted that "as soon as America can take care of herself, she will do what Carthage did." When the American colonies later fulfilled this prediction



by securing their independence, and when it was perceived that this separation did not lessen England's commerce with America, the opponents of colonialism, who were also advocates of free trade, were reinforced in their convictions. The only true extension was trade, and to secure trade political domination was unnecessary.

It was by no means contended even by the most doctrinaire free trader that an increase in the population and wealth of new countries, such as the United States and Canada, was undesirable. All they opposed was political dominion by the home country and the adoption of a restrictive trade policy. Similarly the orthodox Socialists of to-day make a sharp distinction between colonisation and imperialism, between the acquisition, by conquest or otherwise, of lands suitable for settlement and the seizure of populous countries to which emigration is impossible. In this distinction it is not the intention but the fact that counts; whatever the motives of the explorers, the new country becomes a colony if it furnishes homes. Such colonising is a direct national gain, benefiting all classes. The redemptioner, who was carried off to the British settlements in America, did in the end improve his economic condition, and his descendants, like those of the free immigrants, now form the population of the country. On the other hand tropical dominions, like Porto Rico or Egypt, can provide profits for investors but no homes for settlers.

This distinction negates by definition the claim that imperialism is an outlet for a redundant population. Of the emigrants from the United Kingdom during the last thirty years only a microscopic percentage went to Britain's tropical colonies. In British India in 1911 only one in every two thousand was British born. Similarly, most French, German, Belgian and Dutch colonies furnish no

outlet to the surplus populations of these nations. Even in Algeria the Europeans constitute only one-seventh of the population, and in Tunis only about one-tenth. The entire European population in all German, French and British possessions (exclusive of the five self-governing colonies), is less than the net immigration to the United States every two or three years.<sup>1</sup>

The opponents of imperialism moreover claim that all the regions fit for colonisation are already pre-empted. There is room for many millions in the five self-governing colonies of Great Britain, as there is in Siberia and South America, but where can place be found in regions newly acquired by imperialism? Where can homes be had to-day for some twenty million Germans (the excess of German population in a single generation), to say nothing of tens of millions of Italians, British, Austrians and Poles? It is frequently claimed that the new medical science, which conquers tropical diseases, will make these regions habitable by the whites. But though the sanitary improvement in the Canal Zone permitted thousands of Americans to help build the canal, it did not result in the actual physical work of construction being performed by white men. Despite sanitary improvements, the Jamaica negro could endure a hard day's work under the tropical sun far better than a man from Illinois. The economic advantage of the lower-priced coloured labour is still more decisive. While in the highly organised industries of England, Germany or the United States, high wages frequently mean small labour cost, in the lower-g geared industries of the tropics the coloured man, black or yellow, easily holds his

<sup>1</sup> In the Philippines in 1914, out of a total population of almost nine millions (8,937,597), less than 20,000 were Europeans and Americans, including troops. The density of the native population is greater than that of Indiana and over three times that of the United States as a whole.

own. Since the European excess of births over deaths is about forty millions per decade, the impossibility of finding a place for this excess population in tropical and sub-tropical countries is manifest.

If the countries still to be overrun are not adapted for colonisation, the benefits accruing from imperialism, according to these anti-imperialists, will go to merchants, manufacturers and investors and not to wage-earners. It is often claimed that this trade which arises from an imperialistic policy is not great enough to exercise a beneficent influence upon the fortunes of the masses. Prof. Hobson, writing in 1902, states that during the period since 1870, when Great Britain launched into its latest imperialistic policy, British foreign commerce did not grow as rapidly as population, and actually declined in proportion to wealth. The British colonies increased their trade with other nations more rapidly than with the home country. The newly acquired colonies, the last fruits of imperialism, were the least profitable. Their commerce was small, fluctuating and of low quality. Mr. Hobson therefore comes to the conclusion "that our modern imperialistic policy has had no appreciable influence whatever upon the determination of our external trade."<sup>1</sup>

When we consider individual countries which have been the cause of much rivalry and dissension, we discover that their commerce is often extremely small. France has almost monopolised the trade of Martinique, but in 1913 her total trade with that country was less than a sixtieth of her trade with the United Kingdom and less than a fiftieth

<sup>1</sup> "Imperialism," p. 35. A survey of more recent figures somewhat modifies these conclusions of Mr. Hobson. The statistics of 1913 prove that British commerce with British colonies has not only greatly increased but has increased faster than British commerce with foreign countries. Trade with Canada, Australia, India, Egypt, New Zealand and the Straits has grown steadily and rapidly.

of her trade with Germany. The specifically tropical countries, for which the nations are fighting, do not have a commerce worth a fraction of the cost of their acquisition.<sup>1</sup>

Nor are the investments in the imperialistic domain nearly so large as those in countries over which the European nations exercise no political control. France has invested largely in Russia and the Balkans; Germany has put capital into the United States, South America and Asia Minor; England has gigantic sums in countries over which she exercises no dominion. The profits from imperialistic investments are merely a bonus. Though they loom large in the popular imagination, they are only a small part of the national income, and even at the best these profits go to capitalists and not to the people.

Moreover, what advantage is it to the wage-earner to have his country's wealth exported beyond his reach? Concerning this movement towards absentee ownership of capital, the widest divergence of opinion prevails. The optimists among the investing classes find it all good and sanctified by its results. The exportation of capital, they hold, not only fructifies the waste places of the world but does not decrease the capital in the exporting country, since it raises the rate of interest and thus stimulates saving. But such a rise in the interest rate means an increase in the cost of living and a reduction in the real wages of labour. In so far as it goes into competitive industrial enterprises abroad, it lessens the opportunity of labour at home. Thus if British capital, exported to India, is used to erect cotton mills in Calcutta, India will import fewer cotton goods from England, and British capital will be employing In-

<sup>1</sup> This argument, however, is not entirely conclusive, since it concerns itself with the *present* trade exclusively. The profits in 1755 on the trade with Canada would not have justified Great Britain in seeking to acquire it.

dian labour and throwing British labour out of employment. This situation is analogous to that which was created when Northern textile manufacturers, instead of increasing their New England plants, built mills in Georgia, thus transferring the demand for employment from the North to the South.

It is further contended by these opponents of imperialism that the export of capital is profoundly demoralising to the exporting nation, which ceases, in a real sense, to be industrial, and becomes financial. Gradually the nation, with a large fixed income derived from foreign labour, ceases to care for its export industry, loses its intensity and keen application to business, becomes conservative in the technique of production, and, being no longer interested in the development of home industries (since its gains come from abroad), converts hundreds of thousands of industrial wage-earners into liveried house-servants, who minister to the cultivated wants of a sport-loving and decoratively idle upper class.

The effect of this development upon England, the classic land of capital export, is portrayed in an acute study by Dr. Schulze-Gaevernitz.<sup>1</sup> The author shows how the steadily mounting income derived by Great Britain from foreign investments has led to a relative restriction of the field of employment in home manufacturing industries. In 1851 23 per cent. of the population of England and Wales were workers in the chief industries as compared with only 15 per cent. a half century later.<sup>2</sup> Imports increase; exports do not increase proportionately. An ever larger proportion of the population becomes rentiers, "liv-

<sup>1</sup> "Britischer Imperialismus und Freihandel."

<sup>2</sup> In the chief industries there were 4,074,000 out of a population of 17,928,000 in 1851 and 4,966,000 out of a population of 32,526,000 in 1901.

ing on the sweat of coloured labour, whom it is their first interest to hold in political subjection." Some of these renti rs, large and small, are wholly unoccupied or only half occupied. They are sleeping partners, briefless barristers, professors of professions which do not exist. To these income-receivers or renti rs, whom Schulze-Gaevernitz estimates at a million, must be added enormous numbers of servants and lackeys, who are paid, though indirectly, from the Kimberley mines and investments in the Argentine. Upon the industry of the backward countries these idle and semi-idle people make increasing demands, and industry becomes a production of luxuries. In the meantime the nation falls behind in its competition with more purely industrial countries like Germany and the United States. In the machine industry, in ship-building, in applied chemistry England does not hold her own.<sup>1</sup> Her technique of production, her methods in commerce and banking become old-fashioned and ineffective; her invention (as measured by the issuance of patents) does not keep pace with that of her chief competitors. And all this conservatism does not inhere in the British character (for formerly the Briton revolutionised the world) but is attributable to the fact that Great Britain is pre-eminently a *Rentnerstaat*, a country of pensioners and creditors, increasingly independent and careless of its foreign export, and of the industries which formerly kept that export going.<sup>2</sup>

<sup>1</sup> No such criticism can apply to the relative British decline of such crude industries as the production of coal and raw iron, since it is natural and desirable for more highly developed industrial nations to go over increasingly from the cruder to the more refined and differentiated forms of production.

<sup>2</sup> "As we look back, we survey the long road which England has traversed in a century. Towards the end of the eighteenth century the leading man was the landlord and behind him the *breitspurig*

There is some exaggeration but also much truth in this description of a *Rentnerstaat*. Psychologically the account fits the Englishman less exactly than the Frenchman, who is industrially less venturesome. Moreover from the individual's view-point it makes little difference whether his fixed income is derived from abroad or at home. Economically, however, the influence of a large class of individuals living by foreign industry is difficult to exaggerate. Their interests are abroad; at home they are concerned chiefly with the maintenance of low prices. The nation becomes in a sense parasitic, living without effort upon the "lesser breeds" in all parts of the world.

Whatever its evil results, however, there is little reason to believe that any nation will willingly surrender the income on its foreign investments or cease to export new capital if conditions are favourable. The interest-receiving nations are the world's aristocrats, happy in their favoured position, and if they can thus live partly on their past labour they see no reason for receiving less or working more. The social evils resulting at home from such a condition can be cured by changes in taxation and the distribution of wealth, by legislation which gives a greater part of the income from foreign investments to the nation as a whole, and thus forces the rentirs back into industrial life. So long, however, as foreign investment is essential to the widening of the agricultural base of industrial nations, it will not be stopped by its beneficiaries.<sup>1</sup>

Those who advocate a complete cessation of the export comfortable farmer; towards the middle of the nineteenth century it was the manufacturer and behind him the industrial workers, ripening into trade unionists and members of co-operative societies; to-day it is the financier and behind him the broad masses of the *rentirs*." *Op. cit.*, p. 322.

<sup>1</sup> There may, however, be regulation, although this is, for any one nation, a difficult operation.

of capital,<sup>1</sup> therefore, might as well argue against its accumulation. You could not stop it if you wished, and would be none the wiser for wishing it. The export of capital is merely an export of goods, paid for in credit instead of in goods, and the only way to prevent credit from coming into the country is the suicidal method of expelling the creditor. It is unlikely, therefore, that this movement will cease until the demand for capital is fairly equalised throughout the world, until the backward nations of to-day are sated with capital or have themselves become industrial countries.

The danger lies in exactly the opposite direction, not in an abstention by wealthy nations from investing abroad, but in so keen, unscrupulous and rough-handed a competition for the right to invest as to result in war.

This danger of war is the final argument of anti-imperialists. They argue that the sacrifices which result in increased profits to investors and merchants are made by the masses who profit least from such investment. Not only do the people pay for the armaments to secure political domination, but also for the wars, which in these days of clashing imperialistic ambitions are an ever-present possibility. So long as the imperialistic scramble continues war will be inevitable. For no new dominion can be secured without threatening the interests or pretensions of rival imperial nations. The vastly extended empires are cheek by jowl. An extension of one power anywhere menaces the colonies of another nation; rival colonial ambitions merge with strategical questions. Just as the United States will not endure Japan on the West Coast of Mexico, nor England Germany on the West Coast of Morocco or on the Persian Gulf, so each nation fears the approach of other nations to its most distant pos-

<sup>1</sup> See Burgess' "Homeland."



sessions. Immediately even visions arise of coaling stations, from which great fleets may later issue, to be followed by transports of disciplined troops. In the seventeenth century England, France, Spain and Holland could hold colonies in North America and be reasonably out of each other's way. In the twentieth century, this is no longer possible.

The increased cost of war adds to the opposition of these democratic groups. No longer is war a mere isolated venture of a single nation, but a conflict between alliances on a scale utterly unthought-of in former generations. No conceivable gain derived from any colonial venture of the last fifty years could compensate for the mere economic losses involved in the present war, to say nothing of the loss of life, the maiming and crippling of young men and the disruption of international bonds. And if war costs much so also does the preparation for war. Until some mutual accommodation can be secured, even the most pacific nation must bear the burden of increasing armaments.

There is a still deeper antagonism to these imperialistic ventures. From the beginning, the dominant classes in societies which are developing towards democracy have used foreign adventure to allay domestic discontent and to oppose democratic progress. When war is begun or even threatened it is too late to speak of uninteresting and seemingly petty internal reforms. Between industrial and political democracy on the one hand and a policy of foreign adventures on the other, there is an inevitable opposition.

It is not that the political and industrial interests of the dominant classes favour war, but rather a policy involving the constant fear of war. This fear itself is worth millions. It means a huge vested interest in the creation

of munitions and armaments. It means political quiescence and domination by a financial-military group. But for the fear of war and the imperialistic policies which kept this fear alive, the militaristic *Junker* class of Germany could not have maintained its domination.<sup>1</sup> To disband the German army would cost these landed proprietors more than would a Russian invasion. And a similar if lesser conflict in class interest is found in France, England, Austria and to a certain extent in the United States. In all countries, the imperialistic policy, even when it redounds ultimately to the nation's advantage, is a class policy used to further class purposes.

In Europe, however, it is difficult for democratic leaders to make headway against imperialism. For the tragedy of the situation lies in the fact that where nations are constantly on the watch against each other, the imperialistic motive is interwoven with other motives of self-defence and nearer territorial aggression. If Germany is intent upon war, and if her road leads over France, then France must arm. To be effective in defence, she must have uni-

<sup>1</sup> In his celebrated book, "The Nation in Arms," the late Field-Marshal von der Goltz shows how necessary is the sense of the imminence of war to the maintenance of the prestige of the officer class, which, as he states, is "chosen from the German aristocracy." He quotes approvingly the words of Deeken: "Now, when in consequence of a long peace the memories of past services have become completely obliterated, and there is no immediate prospect of a war, the citizens take more and more note of the burden of the upkeep of an army, and attempt to convince themselves of the uselessness of this institution." To which Von der Goltz adds: "The present day (1883), especially in Germany is favourable in this respect to the officer class. Great and successful wars have enhanced its renown, and have moderated the envy of others. But should peace endure for several decades to come, it may again become necessary to remind the people that external favours may, without harm, be extended to the military profession, and especially to the officers." — Popular edition, London, 1914, p. 25.

versal service, professional officers, a true military spirit, a certain degree of autocracy in military arrangements, as well as offensive and defensive alliances, not based on a true community of interest or similarity of ideals, but upon the need of beating back the foe. If England fears German aggression she cannot afford to maintain an isolation however magnificent, but is obliged to enter into alliances, *ententes* and secret engagements. For if you play the game you must play it according to the rules. Moreover, if you have the armament and alliances necessary for defence, you are tempted to use them for an aggressive and imperialistic policy. Indeed, such an imperialistic policy may actually form the cement of your alliances.

All these considerations lame and thwart the movement against imperialism. Moreover, the problem of governing the backward countries remains. For their own sake you cannot leave them alone, and the abstention of one nation merely makes the imperialistic ventures of other nations easier. If governments refrain from organising backward countries, the private capitalistic exploitation of these regions will be more ruthless than ever. The anti-imperialists are thus faced with a difficult situation which they cannot meet with *a priori* argument and pious formula. With them or without them, some form of co-operation must be effected between industrial and agricultural nations as well as some form of control over countries incapable of self-government. There is need for a definite, concrete democratic policy for the government of such backward countries.

## CHAPTER XI

### THE APPEAL OF IMPERIALISM

It is a significant fact that despite a democratic opposition to imperialism it is precisely the democratic nations, England and France, which are most imperialistic. The British public seems always willing to make sacrifices to extend the Empire, and an almost equal enthusiasm is found among great sections of the French democracy. Also in Germany, when an election was fought in 1907 upon a colonial issue, thousands who usually voted the Socialist ticket gave their adhesion to the imperialists.

Such a popular adhesion is essential to the success of an imperialistic policy. The masses need not be consulted upon the first steps but they are urgently called into conference when trouble begins and "pacification" or war is necessary. Your financier, with all his money, is helpless against the rival ambitions of a great nation, and, he must have the support of his own country, its navy, army, credit, and millions of patriotic citizens. How is he to secure this support?

To understand the implications of this question we must consider the changes in modern warfare and the rise of democracy in the Western World. The mercenary soldiers once employed by absolutist princes would go anywhere at any time and no questions asked. War was a game played by small teams of professionals. To-day it is a national conflict in which entire populations, old and young, male and female, are pitted against each other. This fact gives

to the peoples a passive quasi-veto upon war, for success in a crucial conflict depends upon enthusiasm and supreme unity. To-day Germany would crumple if her people were actively hostile or even merely listless towards the war. It would be difficult to raise loans, to sequester goods, to ensure the continuance of the industries upon which the nation and army live. Victory depends upon the *morale* of the entire population. During the war itself, it is true, a nation tends to lose its power of self-criticism and to fight blindly. It defends proposals that in peace would be indefensible; it works itself up to a pitch of righteous self-justification. But war to-day is won before the first shot is fired; it is won by preparation. An army must be raised, a reserve of officers created, munitions stocked, strategic railways built, and plans elaborated for rapid military mobilisation and for a war organisation of industry. All this costs money — hundreds of millions. If then the nation is to be taxed for military budgets, and if the people as a whole secure an increasing veto over such expenditures, would it not seem likely that the nations would look askance at dangerous imperialistic ventures which contributed so obviously to the danger of war and to the size of military expenditures. Would not the people say to the financiers, "Keep your capital at home. Make your profits at home"?

To avert an attitude so fatal to any national policy of imperialism likely to lead to war, enthusiasm must be aroused and support secured. This support may be sought by a two-fold appeal; to direct economic interest, and to the sentiment of patriotism. The two appeals are not sharply separated, but merge.

The economic argument for imperialism is that its advantages are in the end widely distributed. Better access to raw material and a wider market for manufactures

means a flourishing national industry, steadier employment, better wages, and a prosperity of the whole population. A similar argument is made for investment in colonies. The whole nation is benefitted if its capital brings the largest returns, and these are to be obtained only abroad and by an imperialist policy.

This diversion of profits, works itself out in various ways. By swelling the income of the wealthy classes, foreign investment increases the expenditure at home for the labour of nationals, thus leading to steadier employment and higher wages. The servants of England are supported by India, Egypt and the Rand Mines, as also by the profits on New York real estate and American rails.<sup>1</sup> The distribution of such income, moreover, is a matter over which the British nation has the final say. The entire national dividend, whencesoever derived, is a fund out of which all social improvements may be paid. Social insurance, popular education, and other government projects for the national welfare are supported, and may be increasingly supported, by a taxation which in the form of income and inheritance taxes falls heavily on the rich. Such a policy, by creating a certain community of interest between classes, gives to the entire population an economic interest in the wealth of the few. The profits from foreign, as from domestic investments, may be drawn upon at will for national purposes.

The importance of this development in its effect upon nationalism and imperialism has been largely overlooked.

<sup>1</sup> The profits from imperialism are only a part of the profits from foreign investment. In an economic sense, England, France, Germany, Holland and Belgium own parts of the United States, and the profits of the Pennsylvania Railroad go largely to Europe as do the profits of Egyptian railways. There is this difference: the United States retains control of the physical property, and can, if it wishes, tax these incomes out of existence, while Egypt can not.

We have heard much of the German doctrine of the State as Power, but have failed to realise how Germany, like certain other European nations, has used its powers of taxation and governmental expenditure to create for the masses an ever larger stake in the national income. A policy, which increasingly taxes the rich for the benefit of the poor, establishes a certain unity in the commonwealth. Even the Socialist parties alter their allegiance. The early Socialists were aggressively anti-patriotic, opposing to all conceptions of nationalism the solidarity of the working classes of the world. Karl Marx for example, declared that the workingman had no fatherland, "for in none is he a son." He was a nomad of society, doomed to a life hardly more secure, though far more burdensome, than that of the tramp or gipsy. Long before the war, however, many Socialists had accepted a more nationalistic view. Not only did wage-earners realise that they already participated to some extent in the social surplus, but they also saw that their increasing political power would enable them to influence the future distribution of the national income, however that income were obtained.<sup>1</sup> Once this interest in the national dividend was assured, it became desirable, even to Socialists, to make that dividend as large as possible. The belief spread that all groups within a nation have common interests opposed to the interest of other nations. Thus the Austrian Socialist Dr. Otto Bauer in his "*Imperialismus und die Nationalitaetsfrage*" denies that the immediate interests of the wage-earners are the same in all countries and asserts that the workers may

<sup>1</sup> "If social democracy is not yet in power, it has already a position of influence which carries certain obligations. Its word weighs very heavily in the scale."—Edward Bernstein, "*Die Voraussetzungen des Sozialismus*," p. 145, quoted by Jane T. Stoddart. "*The New Socialism*," New York and London, p. 156.

find good reason to side with the employers of their own nation against wage-earners and employers in another country. "We do not say that there are no conflicts of interests between the nations, but we say, on the contrary, that as long as exploitation and oppression continue, there will be conflicts of interests between nations."<sup>1</sup> From which follows the conclusion that until capitalism is destroyed, and that may take many decades, it is essential for the workman to develop the welfare of the wage-earners of his own country, rather than of the world in general.<sup>2</sup>

This argument is to immediate interest, which, as a rule, overrides considerations of ultimate interest. To the German workman, for example, it seems plain that English proletarians will not gain *his* salvation; he must gain it himself. The German wage-earner must be better fed, clothed, housed, educated, organised, and all these needs translate themselves into more regular work, better paid. But if German industry is defeated by English industry, the German workman will suffer unemployment, reduction of wages, lockouts, unsuccessful strikes, and a decline in trade union membership. Such a retrogression means a

<sup>1</sup> Quoted by William English Walling, "The Socialists and the War," New York, 1915, p. 19.

<sup>2</sup> "The improvement of the lot of the workers has as a necessary condition the prosperity of the industrial development; the ruin of commerce and industry would encompass their own ruin. In a speech delivered at Stuttgart, Mr. Wolfgang Heine, a socialist member of the Reichstag, declared that 'the economic solidarity of the nation exists despite all antagonism of interest between the classes, and that if the German fatherland were conquered, the workers would suffer like the employers and even more than these.'" "The alliance between trade union socialism and military imperialism was manifested for the first time at the Stuttgart (International Socialist) Congress in 1907. The majority of German delegates, composed above all of trade union representatives, were opposed to the Marxist resolution condemning colonial wars."—"L'imperialisme des socialistes allemands," *La Révûe*, vol. cxii. Paris, 1915.



delaying of the ultimate working class victory as well as a worse situation in the present. And, parenthetically, workingmen and Socialists, being ordinary men with the ambitions and appetites of ordinary men, do not spend seven evenings in the week in contemplation of a Co-operative Commonwealth any more than the average churchgoer devotes his entire mind to the Day of Judgment. The German Socialist has his bowling club and his *Stammtisch*; he must buy shoes for the children and a new pipe for himself, and his weekly wages count more than his share in a new society, which will not come until he is dead. Besides his wages, he is interested in his government insurance premiums, in the education of his children, in the things that he and his family and the families of his class wish to enjoy. If imperialism appears to raise wages as well as profits, he is not likely to oppose it on sentimental grounds, especially as there are theorists who stand ready to prove that Imperialism is merely the last phase of Capitalism and will bring Socialism all the sooner.

And the argument for the beneficial reaction of imperialism upon wages seems at first glance convincing. The German workman sees that wages are high in England. He is told that the cause is the early British conquest of foreign markets.<sup>1</sup> His own rapid progress during recent

<sup>1</sup> In their admirable "History of Trade Unionism" Sidney and Beatrice Webb ascribe the rapid increase in the growth and power of British trade unions after 1850 in large part to the development of British commerce and industry. "This success we attribute mainly to the spread of education among the rank and file, and the more practical counsels which began, after 1842, to influence the Trade Union world. But we must not overlook the effect of economic changes. The period between 1825 and 1848 (in which "magnificent hopes ended in bitter disillusionment") was remarkable for the frequency and acuteness of its commercial depressions. From 1850 industrial expansion was for many years both greater and steadier than in any previous period."

years he associates with a simultaneous increase in German industry and foreign trade. If therefore the foreign field is to be extended, why is the German eternally to be left out in the division? Such a workman does not like the methods used, but so long as markets are to be seized, whether Germany takes part or not, he is, with mental reservations, in favour of a "firm" policy.<sup>1</sup> He wants not war, but foreign markets. Let Germany become rich by means of imperialism and the wage-earner in due time will be able to get his share.

If such an appeal can be made to the socialist, it can be made with even greater success to the middle classes, who have no anti-nationalistic prejudice and whose attitude is easily influenced by that of the great capitalists. The influence of the imperialistic propaganda was shown in a searching analysis of German public opinion made in 1912 or 1913 by a Frenchman and reproduced in the French Yellow Book. The colonial expansion of France was regarded with intense irritation. "Germans" it was held, "still require outlets for their commerce, and they still desire economic and colonial expansion. This they consider as their right as they are growing every day, and the future belongs to them." The treaty of 1911 with France (concerning Morocco) is considered to be a defeat for Germany, and France is represented as bellicose. On these two points, all groups are unanimous, "deputies of all parties in the Reichstag, from Conservatives to Socialists, University men of Berlin, Halle, Jena and Marburg, students, teachers, employés, bank clerks, bankers, artisans, traders, manufacturers, doctors, lawyers, the editors of democratic and socialist newspapers, Jewish publicists,

<sup>1</sup> This is the real but not the avowed policy of a large section of the workers, especially of trade unionists, in the Social Democratic Party of Germany.

members of the trade unions, pastors and shop-keepers of Brandenburg, *Junkers* from Pomerania and shoe-makers of Stettin, the owners of castles, government officials, curés and the large farmers of Westphalia.”<sup>1</sup> “The resentment felt in every part of the country is the same. All Germans, even the Socialists, resent our having taken their share in Morocco.” The German diplomatic defeat is a “national humiliation.”<sup>2</sup>

The words “national humiliation” used by this French observer illuminates both the force and limits of the economic motive in throwing nations into imperialism. The desire for greater profits and higher wages present themselves not nakedly, but garbed with idealistic motives. “A decent respect for the opinion of mankind,” as well as a desire to gain one’s own self-respect, compels men to represent their more crassly egoistic desires as part of an ethical plan. It is not hypocrisy, but a transformation of material into ideal values.

Thus nationalism enters into the problem, and the appeal to the supposed interests of the masses becomes an appeal to their “patriotism.” The nation is outraged, humiliated, despised. Its honour, which is in reality its prestige and inflated self-esteem, is affected. Though not quite identical with the economic interests of the citizens, national honour has much to do with the conservation and furtherance of those interests. It is a mirror cracked and smudged with ancient dirt, which reflects imperfectly the economic motives of the classes dominant in the nation.

The more primitive and instinctive a man, the more he is actuated by these idealistic elements. The crowds on

<sup>1</sup> French Yellow Book, No. 5. The document, according to the German commentators is falsely dated.

<sup>2</sup> French Yellow Book, No. 1. Annexe I.

the London streets on Mafeking Day did not know what they wanted with the Rand mines, but they were true-blue Britishers, a trifle drunk but all the more patriotic. It is to this feeling of patriotism, sober or half-sober, to which the men who have something to gain from imperialism appeal. The home nation has its sacred duty to perform to the backward country, which does not pay its debts and is rent by revolutions, fomented perhaps abroad. The home nation must not relinquish its arduous privilege. It must not haul down the flag. It must not defer to other nations. Beyond the seas there is to be created a New England, a New France, a New Germany, to which all the national virtues are to be transplanted. The emigrants now lost to alien lands will carry their flag with them, and the nation will no longer strew its seed upon the sand. This nation (whichever one it happens to be) has a divine mission, which it can never perform unless it has a suitable army and navy, and unless this day week it sends a battleship to a certain port in China or Africa.

This quasi-idealistic element in imperialism strongly reinforces the economic argument. The German, Englishman or Frenchman dreams of extending *his* culture, *his* language, *his* influence, *his* sovereignty. He takes pride in the thought that *his* people rule in distant lands, in deserts and jungles, in islands lying in tropical seas, and on frozen tundras, where civilised man cannot live. It is this dim mystic conception, this sense of an identification of a man's small personality with a vast Imperium, that inspires the democracies, which year by year vote supplies for imperialistic ventures, far-sighted or absurd. Though this idealism is partly the expression of an unrecognised economic need, yet for the most part, though perhaps decreasingly, the average citizen looks at imperialism as a sort of *aura* to his beloved nation, and the conceptions

of national prestige and of imperialistic dominion fuse.

Moreover, even the calmer minds are reached by the fundamental argument of the necessity for extension. They recognise that despite the brutality and bloodiness of colonialism, it at least represents a certain phase or form of an inevitable development, the creation of an economic unity of the World. Without colonial development, without an exploitation of unlocked resources, the industrial growth of the manufacturing countries cannot be maintained, and they will be thrown back upon their own meagre resources. So long as agriculture remains what it is to-day, the increasing millions of Western Europe, of Japan, of the Eastern United States, must rely more and more upon their commerce with the backward states, and must take a hand in stimulating their production. The present nationalistic imperialism may not be the best, it is perhaps the very worst form, that this world integration might assume, but in any case the problem remains to be solved either by this or some other means.

As a consequence the opposition to our present nationalistic imperialism is tending to change from a merely negative attitude to a positive programme for an imperialism at once humane, democratic and international. It is an imperialism, the ideal of which is to safe-guard the interests of the natives, to prepare them for self-government and to carry on this process not by competition and war between the interested nations but by mutual agreements for a common benefit. The present cruelties and dangers are to be avoided. The nations are to unite in a joint, higher imperialism.

It is this ideal which is to-day informing some of the leading minds of Europe, an ideal which will convert the competitive imperialistic strivings of rival nations into a joint and beneficent rule of countries demonstrably in-

capable of ruling themselves by a group of nations acting in the interest of the world. Such a pooling of claims is admittedly difficult and is likely to be opposed by immense vested interests of classes and nations. It is this problem of a joint imperialism, the solution of which alone stands between Europe and the continuance of bitter strife and war.

## CHAPTER XII

### THE AMERICAN DECISION

WE have seen how in Europe the outward expansion, which leads to international friction and war, has been due to deep-lying economic motives acting on ordinarily peace-loving populations. We have seen how national interest, blended with class interest, has distorted this expansion and has turned a wholesome process of world-development into a reckless scramble for territory and a perpetually latent warfare. Lastly we have seen how in all countries broad sections of the population have been sickened by the stupid brutality and imminent peril of this unenlightened national competition and have groped for some plan by which commerce might expand and industry grow without the nations going to war.

Such a plan must involve a basis of agreement, if not a community of interest, among nations requiring economic security and industrial growth. The choice does not lie between national expansion and contraction but between an expansion which ranges the nations in hostile camps and one which affords more equal opportunities of development to all competing powers. For each nation it is a choice between a headlong national aggrandisement, which takes no account of the needs and ambitions of other powers and the development of an economic world system, in which the industrial growth of one nation does not mean the stagnation or destruction of its neighbours.

Like the nations of Europe, the United States is faced

with the necessity of making this decision. The problem presents itself less clearly to us, since in the past we have largely expanded within; we have been able to grow by a more intensive utilisation of what was already conceded to us instead of spreading out into regions where international competition was intense. Those classes which in other countries are strongly driven by economic interest towards imperialism were in America otherwise occupied. But to-day we are beginning to overflow our boundaries, and we tend already to do instinctively what in the future we may do of set purpose. The men who wish to use army and navy to obtain American concessions in Mexico, South America and China are not distantly related to the imperialists of Germany, who believed that Kiau-chau was a fair exchange for two dead missionaries, or to those of Great Britain and France who drove their nations into the Boer War and the Morocco imbroglio. Our anti-imperialists also are animated by ideals similar to those of European anti-imperialists.

The issue between these two groups and these two policies and ideals does not result in a single act of the national will. We do not go to the polls and vote once for all to be imperialistic or non-imperialistic, to grab what we can or seek a concert of the world. The issue resolves itself into many immediate and seemingly unrelated decisions. What we shall do in Mexico to-day, what action we shall take in regard to a railroad concession in China, opposed by Japan, what part we shall take in the coming peace negotiations are a few of the many decisions, which slowly crystallise into a national state of mind and finally into a national policy. The policy need not be absolutely rigid or consistent. While in the early days America decided upon a policy of isolation, we did occasionally interfere in Europe, and despite our emphatic Monroe Doc-



trine, we made at least one agreement — the Clayton Bulwer Treaty — in flat contradiction to its principles.

The decision, which we are now making between Nationalistic Imperialism and Internationalism <sup>1</sup> is of vast moment. It is a decision which determines not only our foreign but our domestic policy. For Europe it is equally important, since it influences the balance of power between those groups that are fighting for and those fighting against imperialism and militarism. By our comparative freedom of action, we can exert an immense influence either in accentuating the struggle between the industrial nations or in promoting a concert of action, based upon a discovered community of interest.

How we shall in the end decide is not yet certain. Though we are still upon the whole anti-imperialistic, voices already are raised in favour of a vigorous imperialistic policy. "The imperialism of the American," writes one defender of a policy of indefinite expansion, "is a duty and credit to humanity. He is the highest type of imperial master. He makes beautiful the land he touches; beautiful with moral and physical cleanliness. . . . There should be no doubt that even with all possible moral refinement, it is the absolute right of a nation to live to its full intensity, to expand, to found colonies, to get richer and richer by any proper means such as armed

<sup>1</sup> It is difficult to find terms in which to express clearly the two policies between which we are choosing. In a sense the issue is between imperialism and internationalism, but since any international attempt to solve the problem of the backward countries must lead to some joint occupation, exploitation or dominion, which may be called imperialistic, the opposition of the two terms is not complete. Nor do the terms Nationalism and Internationalism describe the two policies. The internationalism for which we are striving does not negate nationalism. It is not a cosmopolitanism, a world-union of undifferentiated and denationalized individuals, but a policy of compounding and accommodating permanent and distinct national interests.

conquest, commerce, diplomacy. Such expansion as an aim is an inalienable right and in the case of the United States it is a particular duty, because we are idealists and are therefore bound by establishing protectorates over the weak to protect them from unmoral Kultur.”<sup>1</sup>

It is not given to all imperialists to present their case with so naïve a self-deception. Not all would argue that it is our duty “to get richer and richer by . . . armed conquest” to avert the “unmoral Kultur” of some other nation which also desires to get richer and richer. Yet in many other forms our imperialistic drift appears. Voices call upon us to perform deeds of blood and valour, which bring national renown. Ardent prophecies reveal that we shall become the first maritime power of the world and that we “are born to rule seas, as the Romans were to conquer the world.” But in the main American imperialistic sentiment is not vocal. It manifests itself in a vague determination to push American “interests” everywhere; to control Mexico and the Caribbean countries, to exert an increasing influence in South America, to be a decisive factor in China’s exploitation. Just how all these ambitions are to conflict with those of other imperialistic nations, our imperialists have not yet determined. Let us be strong enough in our own might and in our alliances and we can take what we want and find excellent reasons for the taking.

Such a policy is not less dangerous because inchoate and undirected. It is all the more dangerous on that account. Without thoroughly understanding the World into which they inject their undefined ambitions, our imperialists have not advanced far beyond a mental attitude. They are anx-

<sup>1</sup> *Seven Seas Magazine* (Organ of the Navy League of the United States), Nov., 1915, pp. 27-28.

ious to conquer and rule, to exert economic, financial and military dominion, but their future domains are not yet surveyed.

This new spirit has been strengthened by the passing of our isolation. Since we cannot hold aloof, our imperialists believe that we must do as other nations do, seize our fortune at any risk. We must repudiate "our idealistic past," cease to be a dilettante in international relationships, take our share of the burden and get our share of the profits in the scrimmage which we call nationalistic imperialism. If we cannot live by ourselves, let us live as do other aggressive nations.

In the future this new imperialism may drift in one of two directions. We may build up an American Empire, a (probably plutocratic) Republic with outlying dominions, or we may enter into a close association with the British Empire, converting it gradually into an Anglo-American Dominion.

The first method is the more obvious but also the more dangerous. To secure a semi-economic, semi-political control over all North America, south of the 49th parallel, to rule the Antilles and islands in the Pacific, to control in part the policy of China, might be possible without a British alliance. But any further imperialistic development would meet with opposition. Almost all the valuable countries have been pre-empted. To absorb Canada, to conquer Australia or New Zealand, would mean relentless war against us by England and perhaps other powers. Such a conflict, though undesired, is not impossible. Even if it is not true, as one Latin-American writer confidently prophesies, that "the disintegration of the Anglo-Saxon Empire will be the work of the United States,"<sup>1</sup> there may

<sup>1</sup> F. Garcia Calderon, "Latin-America. Its Rise and Progress." New York, 1915, p. 390.

come many industrial or commercial conflicts which in an imperialistic atmosphere may lead to war. A policy of encroachment cannot but be dangerous.<sup>1</sup>

A more secure road to American imperialism lies in a closer union with the British Empire. At present such a union would be opposed by an overwhelming majority of Americans. In certain circles, however, there is a perceptible movement towards an agreement with England which might become an alliance and eventually a union.

For such a union there are strong arguments. The kinship in blood, the similarity in language, traditions and points of view as well as a certain range of common interests tend to bring these two nations into closer relations. It would be a step towards a world-peace if the United States, the United Kingdom, Australia, New Zealand, South Africa, Canada and Newfoundland were to be guaranteed against war among themselves. The chance of peace is probably increased when the number of possible conflicts between nations is lessened.

Unfortunately many who desire an Anglo-American alliance or union think of it only as a means of protecting rights, the defence of which would mean a circumscription of the rights of other nations and in the end a world war. Writing over twenty years ago, Captain Mahan extolled the idea of such an alliance (although he held it to be premature) on the ground that with a strong navy the United States could help England to control the seas. He deprecated the proposal that the coalition should surrender the right to prey upon hostile commerce. It was only from the relative weakness of Great Britain, "or possibly

<sup>1</sup> A second prophecy of Señor Calderon is to the effect that "unless some extraordinary event occurs to disturb the evolution of the modern peoples, the great nations of industrial Europe and Japan, the champion of Asiatic integrity, will oppose the formidable progress of the United States."—*Op. cit.*, 389.

from a mistaken humanitarianism " that any concessions from the early rigours of naval warfare were wrung by neutrals. The alliance between Great Britain and the United States " looks ultimately and chiefly to the contingency of war," and such an alliance " would find the two (nations) united upon the ocean, consequently all-powerful there, and so possessors of that mastership of the general situation which the sea always has conferred upon its unquestioned rulers. . . . But why, then, if supreme, concede to an enemy immunity for his commerce." <sup>1</sup>

Such an alliance would mean nothing less than an imperialistic predominance in the world. The trans-oceanic colonies of all nations would be held subject to Anglo-American consent. The power thus possessed might be used with wisdom and moderation or unwisely and immoderately. In either case the United States would enter upon the patrimony of the British Empire. The interests controlling and exploiting the vast resources of the Empire would come to be American as well as British. Wall Street would make money throughout the Empire, and we might some day find a Harvard graduate installed in the governor's chair of Jamaica even if he did not actually become Viceroy of India.

The pressure towards such an imperialistic merger grows with the increasing sense in Great Britain of her precarious international position. The British Empire is over-extended; it has too narrow a base for the length of its frontier. In arguing for an Imperial Federation, the *Round Table* of London declared (in 1911) that " the safety of the Imperial system cannot be maintained much longer by the arrangements which exist at present. . . . Great Britain alone cannot indefinitely guarantee the Em-

<sup>1</sup> Mahan (A. T.), " Possibilities of an Anglo-American Reunion." *North American Review*, July, 1894.

pire from disruption by external attack. The farther one looks ahead the more obvious does this become. A nation of 45,000,000 souls, occupying a small territory and losing much of the natural increase in its population by emigration, cannot hope to compete in the long run even against single powers of the first magnitude — even Russia, for instance, with its 150,000,000 inhabitants, with America with its 90,000,000, with Germany with its 65,000,000 increasing by nearly a million a year, to say nothing of China with its 430,000,000 souls. Far less can it hope to maintain the dominant position it has hitherto occupied in the world, with a dozen new powers entering upon the scene. . . . What will be the position of the Empire then, if it has to depend upon the navy of England alone? ”<sup>1</sup>

Even with the addition of the self-governing colonies, the population of the United Kingdom is increased by less than a third,<sup>2</sup> and the sixty millions of the six British nations are little more capable of defending the British Empire than are the forty-five millions of the United Kingdom. The advantage of far more than doubling the population back of the British Empire is therefore apparent. As compared with the United States, Great Britain is growing slowly. Moreover she is in a permanently perilous situation, lying near the strongest military powers and unable to recover, once her navy is destroyed. Great Britain preserves her empire only by alliances which pre-

<sup>1</sup> *Round Table*, London, May, 1911, pp. 251-2 (?).

<sup>2</sup> The combined white population of New Zealand, Australia, South Africa, Newfoundland and Canada (in 1911) was only 14.2 millions, or almost exactly the increase in the (total) population of Continental United States in the one decade ending 1910. The white population of the United States already constitutes 4/7 of the total white English-speaking population of the world. Moreover, population is increasing far more rapidly in the United States than in the six British nations.

vent the forming of a hostile European coalition, and in the future an American alliance may seem indispensable to the maintenance of the Empire and even to the safety of Britain. At such time it may appear better to divide and rule than risk the chance of ruin by carrying the burden alone.

This problem of defence is not one of valour but of economic resources and geographical position. The men of Britain are as courageous to-day as were their forefathers, but just as the brave Hollanders could not maintain supremacy on the sea because with their small numbers they were forced to make front against the French, so the English are now compelled to face an increasingly difficult international situation. In war, bulk, territory and weight of numbers count, and how these factors will affect the relation between Great Britain (even with her colonies) and other strong powers a half-century hence is a serious question. There is always the unpleasant possibility that a failure of the clever diplomacy by which Great Britain has hitherto divided her enemies will some day incite an attack from an overwhelming coalition of land-hungry powers.

To American imperialists an invitation to share in the profits, prestige and cost of maintenance of the British Empire might prove an overwhelming temptation. America would become an imperialistic people by adoption. Without having laboured and fought we should overnight enter upon a joint control of the greatest imperium the world has seen. Together with Britain it would be ours to enjoy, and in the common possession of these vast domains the divisive forces between the British and American peoples would vanish. Our American historians would forget that there had ever been a Revolutionary War or would interpret that incident as a purely internal con-

flict, which temporarily lost us a few excellent islands, since regained.

But if the British Empire, to say nothing of new rights, privileges and possessions would be ours to enjoy, it would also be ours to defend. An Anglo-American Empire would arouse the envy and the fear of other nations. We should have to defend not only our new joint dependencies but the most distant approaches to them. We could not rest quietly unarmed with these possessions in our house.

An Anglo-American imperialism, indeed any Anglo-American alliance which does not include France, Germany, Russia and other powers, thus brings us no nearer to peace or to a solution of the international problem. It is but the prelude to a new balance of power, a new alignment of hostile national ambitions. If Great Britain and the United States grow and prevent other nations from growing, exploit and prevent other nations from exploiting, we shall be merely reproducing the present fatal scission of Europe upon a large scale.

As against this ideal of American Imperialism, on its own account or in alliance with the greatest imperialistic power, stands the ideal of internationalism. It is an ideal which looks forward towards the creation of a concert of interest among the nations, the growth of international law and the more equal utilisation of the world by the nations. It is an ideal which can be realised only as nations perceive that their ultimate advantage lies in compromising their extreme demands and merging national interests in a larger international interest.

To-day an overwhelming majority of Americans desire a foreign policy looking towards internationalism. They prefer to strive for peace in America and Europe rather than to attempt any imperialistic expansion likely to perpetuate the war-breeding competition between nations.



To realise this ideal, indeed to make any progress whatsoever towards its realisation, we must seek to alter the economic web in which the nations of the world now live. There is at present a conflict between two principles, economic nationalism and economic internationalism. Each nation seeks to obtain for itself security, progress and a favoured position; each has its separate national ambitions. At the same time all the industrial nations have a common interest in maintaining themselves upon the resources of the agricultural countries, and in building up a vast system, in which the world's resources will be utilised most efficiently for the benefit of the world inhabitants.

The problem, therefore, is to promote this economic internationalism and to limit as far as possible the disturbing influence of the divisive national interests. We cannot destroy and we cannot ignore nationalism. We cannot resolve humanity into a mass of denationalised atoms, citizens of the world with no economic or political allegiance to any state. All we can do is so to compromise and adjust strong and vital national claims, as to permit the growth of the international interest. The progress of economic internationalism, without which a permanent peace cannot be maintained, is to be furthered only as each nation attains to a political and economic security, both in the present and for the future. If a reasonable degree of industrial, commercial and colonial progress can be guaranteed, so that the great industrial nations do not live in constant peril, the vast forces which make for an international exploitation of the world's resources will be unchained. A common right to the use of the highway of the sea, a joint imperialism, an international development of commerce and of industry, a mutual insurance of the nations against war, and against national aggression likely to lead to war, will be factors in the establishment of an economic inter-

nationalism, which is the next stage in the economic development of the world.

The United States cannot by itself create a new economic world system; all that it can do is to contribute with other nations to the removal of obstacles that retard the coming development. The opportunity to advance this movement, however, is greater in the case of the United States than in that of the nations of Europe. A nation tends to prefer its immediate national interest to its larger but more distant international interest directly in proportion to the economic or political danger in which it lives. Because of our wealth, our sparse population and our relative immunity from attack, it devolves upon us to be the leader in the promotion of an economic internationalism.

This potential leadership of ours, however, may be lost as a result of an unfavourable economic and social development in the future. What our attitude towards internationalism, nationalism, imperialism and war is to be ten, thirty or fifty years from now will depend upon our internal development. We cannot decide for a policy of internationalism if we grow to be an over-populated country of impoverished men, with great capitalists pushing us out towards foreign adventures, economic and military. An imperialistic war-like spirit will arise if the internal pressure upon the population becomes excessive.

In measuring this pressure, we are dealing with relatives, not absolutes. During many centuries the Chinese coolies have become so accommodated to a meagre life that they do not seek to conquer other nations but choose rather to starve quietly within their walls. There is a higher standard of living in Germany to-day than in the more pacific Germany of seventy years ago, but desires have increased more rapidly than wages. As a result the nation is forced outwards.

Though in many respects conditions of life in America are improving, discontent and frustrated ambition increase. As our numbers grow, farms become relatively scarce, and a class of tenant farmers and an agricultural proletariat develop. The chances of success for both these classes are slighter than a generation ago. Manufacturing is conducted on an ever larger scale and the opportunity to rise is becoming less. The openings in retail trade, though many, are small, and there are vast numbers of failures. Wages are less in relation to the standards of living surrounding the workman, and fear of unemployment is chronic. The country is full of poor men with no firm purchase on life. Income, it is true, is more evenly distributed than property, but even here a crass inequality reigns. Upon the wage-earners falls the heavy incidence of industrial injuries, disease, and unemployment.

It is of such conditions that imperialism and wars are made. To develop millions of landless men without wealth and with precarious jobs is to create a material superlatively inflammable. You can appeal to such men for a "strong" policy that will conquer foreign markets and therefore "jobs." There is a group much lower in economic status — the men submerged below the poverty line. These men, with no money in their pockets and no steady employment, but with voices, votes and newspaper organs, are susceptible to jingoism. They have a high narrow sensibility created by precariousness and hunger. Here we are creating a culture for war bacteria. The concentration of wealth at the top of our society acts similarly. We are developing in America, the type of big business adventurer, who desires an aggressive foreign policy, not only for his direct business interests, but also to allay unrest at home by pointing a minatory finger at the foreigner beyond our borders.

Already we have many of the elements that go to make up the war spirit. In the present conflict we have been pacific owing to the division of our sympathies, the deadening realisation of the immense forces engaged and losses incurred, and the realisation that our interests were not involved. To these factors there was added a sudden prosperity contingent upon our remaining at peace. But even as early as 1898, when the proletarianisation of America was less developed, we had millions of inflamed patriots, who would willingly have fought all Europe rather than "haul down our flag" in the Philippines. What will happen twenty years from now, when our export trade is greater and more necessary and when (unless we change conditions) there will be more poverty and insecurity than to-day? If at such a time Germany, Japan or Russia, or all three, determine upon an action, which will injure our pretensions and throw many of our citizens out of work, we shall surely feel resentment. We cannot safely predict that we will adopt a gentle attitude. Like France in 1870, like Russia in 1905, we may stumble into a war over our rights and pretensions, may be rushed into it not only because of a conflict of interests which we did not foresee but because of a vicious internal development which we did not avert.

All our customary self-assurances that we shall never fight nations now friendly are mere deception. So we thought just before the war of 1812. We were never more pacific than in 1895 when we ventured on a desperate challenge to England, or in 1898 when we attacked Spain. Though we averted war with Germany over the *Lusitania* matter, our public mind was so uninformed that we might easily have been pushed into the conflict by a more bellicose President. We should have a better chance of keeping the peace if we were not so blindly confident of our

peacefulness. It takes only one to make a quarrel, and the aggressor might not impossibly be ourselves. Nor can peace be predicted on the ground that we have given no offence and do not intend to give offence. The other nation will be the judge of that. And if we become imperialistic we shall have given offence enough.

Neither will our religion, our almost universal Christianity, strike the weapons from our hands. It is doubtful whether religion ever kept a nation out of war. The Germans and the English are both Christian peoples and therefore quite willing to fight God's battle, which is their battle. If a crisis arose in America out of our economic conflicts with Europe and our own psychological instability, we should find the ministers of the Gospel on the same side as the editors, politicians, and the people generally, as they have been at most times when peace has been threatened. A war rooted perhaps in the rival interests of American and foreign oil companies in Venezuela would be hailed on both sides as a battle for civilisation and the Lord. Not even our diversity of racial stocks would prevent such a war, though it would no doubt make us hesitant. We should be loath to fight against Germany, Austria, Italy or England, because of the presence in our midst of natives of these lands. Once the fighting had begun, however, all opposition would be overcome, and the war would go on despite its spiritual costs.

If we are to decide therefore not for imperialism and imperialistic wars but for a policy which will mean peace for ourselves and peace and international reorganisation for Europe and the World, we must begin our labours at home. Unless we are able to build a democratic civilisation upon the basis of a thoroughly scientific utilisation of our own resources, unless we so direct our American development that we shall not be forced to fight for a

larger share of the remaining exploitable regions, we shall make little progress towards a settlement of the grave problems which now divide the nations. To promote an economic internationalism we must make our own internal economic development sound; to help cure the World we must maintain our own health. Internationalism begins at home.

**PART III**  
**TOWARDS ECONOMIC INTERNATIONALISM**





## CHAPTER XIII

### NATURAL RESOURCES AND PEACE

FOR the United States to attempt to secure an economic internationalism, which shall form the basis of an enduring peace, is to enter upon a task which bristles with difficulties. These difficulties fall into two classes, those which tend to deprive America of her freedom of action and disqualify her for leadership, and those which are found in deep antagonisms among the nations to be reconciled. America cannot succeed in her efforts to bring about an economic internationalism if she herself is economically or psychologically unstable or if her own foreign policy is grasping, aggressive and imperialistic. Nor can she succeed unless her efforts are wisely directed towards the solution of the real problems which now divide the world.

In all such discussions we are likely to take America's pacific intentions in the future for granted. Such an assumption, however, is unwarranted. To-day the peace-maker is the organiser of the world and no nation can lead in the peace movement, nor even be assured of its own peace, unless it has reached a certain stage of economic stability and is organised on a reasonably satisfactory economic basis. Our danger of war lies partly within. If we launch out upon an imperialistic policy, placing our vital national interests within the area of keen international rivalry, we shall be in peril of a war, evoked by ourselves.

The time to prevent such a conflict is not immediately

before its threatened outbreak but during the period in which the forces making for war are slowly maturing. These forces, in our case at least, take their rise in home conditions. Our chance of peace with England, Germany, Japan or Russia twenty or thirty years from now depends upon what we do with our own territory and our own resources to-day.

This may at first glance seem a paradox. Why should we fight Germany or Japan because our agriculture is inefficient or our fiscal policy inadequate or because our wealthy are too wealthy and our poor too poor? Yet the connection is close. Bellicosity is not spontaneous, a thing evolved out of nothing. Peoples do not fight when they have what they want, but only when they are frustrated and cramped and need air and elbow room. War is like emigration. The individual migrant leaves home for personal reasons, but the great movement of emigration is nothing but an escape from worse to better economic conditions. If the natural resources of a nation are too small or are badly utilised the resulting insecurity and poverty may lead to international conflicts. Or if the national economy though otherwise efficient and self-contained is so ordered that huge masses of the population are impoverished and destitute, there will always be a centrifugal force inciting to foreign adventures and wars. Where there is no place at home for "younger sons" they will seek a place outside.

Nowhere can one study this tremendous internal outward-driving pressure better than in Japan. That nation, though extremely poor, spends huge sums upon armies, navies and fortifications, and engages in a dangerous and perhaps eventually fatal conflict with other powers. But it is not pride of race or dynastic ambition which compels Japan to enter upon these imperialistic courses, but a

sheer lack of economic reserves. Her area, not including Korea, Formosa, Sakhalin, etc., is 149,000 square miles, or less than that of California, while her population (1914) is 56,000,000. Moreover, Japan is so extraordinarily mountainous that the greater part of her area is unfitted for agriculture. Despite a very low standard of living, therefore, and a highly intensive culture, the land cannot feed the population, and foodstuffs must be imported. The population is growing with great rapidity, the excess of births over deaths amounting to over six hundred thousand a year.

Nor has Japan a sufficient outlet through emigration. The immigration of Japanese into Australia, British Columbia, the United States and South Africa is practically prohibited. Most parts of Eastern Asia are too crowded with men living still lower in the scale to permit any large infiltration of Japanese. To Japan, therefore, there are but two alternatives to an ultimate famine: the settlement of Korea and Manchuria, and industrialism. For industrialism, however, Japan is rather ill-fitted by tradition and lack of raw materials. Her best chance is to sell to China and to develop Manchuria and Korea, in both of which directions she runs counter to European ambitions. As a result, Japan becomes imperialistic and militaristic.

The American temptation to imperialism is far weaker than is that of Japan. There is for us no overwhelming necessity to enter upon a scramble for new territories or to fight wars to secure such territories. Our aggressiveness is latent, though with a capacity for growth. There are two ways to lessen this potential aggressiveness. The first is to weaken economic interests favouring imperialism and war and strengthen opposed interests; the second is to build up in the people a tough intellectual and emotional resistance to martial incitement. The remedy resolves itself into two

factors, economic completeness and internal stability and equality.

Economic completeness depends in the first place upon a certain relation between natural resources and population. If the fields and mines of a country are too unproductive or its population excessive, there will be an inevitable leaning upon the resources of foreign countries and an intense competition for new territory, trade or investment facilities. A nation, however, may possess most of the elements of economic completeness and yet suffer through a bad geographical position. Its commerce, even its coast-wise commerce, may be at the mercy of a foreign country, or it may not control the mouths of its own rivers, or may be shut off completely from the sea. Switzerland, Hungary, Bohemia cannot secure their economic independence of Spain or France, but must depend upon the good will of other nations. Because of such geographical conditions an otherwise pacific nation may fail completely to build up a resistance to war.

An event in our own history will illustrate this point. From 1783 to 1803, our settlers in the Ohio Valley were entirely dependent for the sale of their products upon an outlet through the Mississippi River. Unless Spain and later France would permit the rude arks, laden with tobacco, flour and bacon, to unload at New Orleans, the West would be shut off from markets. Railroads had not yet been invented and there were no good roads over the mountains. Animosity towards the owner of New Orleans was therefore inevitable,<sup>1</sup> since unless we could con-

<sup>1</sup> "There was," he (President Jefferson) said, "one spot on the face of the earth so important to the United States that whoever held it was, for that very reason, naturally and forever our enemy; and that spot was New Orleans. He could not, therefore, see it transferred to France but with deep regret. The day she took possession of the city the ancient friendship between her and the

trol the mouth of the Mississippi, we could not secure the allegiance of our own settlers west of the Alleghenies. The interests of our citizens lay beyond our borders; the key to our door was in the hands of a foreign power. But for the lucky accident that peacefully gave us Louisiana, we should sooner or later have been forced into war. The cession of this territory tended to establish for us an economic completeness.

An economic completeness for the United States does not of course mean that we should become a hermit nation, absolutely shut up within our tariff walls. It would be manifestly undesirable to prohibit foreign commerce or the foreign investment of American capital and no such sacrifice, even if possible, would be necessary to prevent a too violent friction with Europe. There is a more direct way in which to increase America's economic reliance upon herself and diminish her dependence upon the accidents and hostilities of the world competition. It can be done by a better utilisation of our own resources. As yet we have merely skimmed the cream of one of the richest parts of the earth, and have exploited, rather than developed, our great continental territory. We have been superficial not thorough, hasty not scientific, in our utilisation of our resources. We have still a margin in which further to develop agriculture and other great extractive industries in order to lay at home the basis for a population which is bound to increase during the coming decades.

How great our friction with Europe is to be will depend on whether our economic development in the main is to con-

United States ended; alliance with Great Britain became necessary, and the sentence that was to keep France below low-water mark became fixed."—John Bach McMaster, "History of the People of the United States," Vol. II, p. 620.

sist of activities which impinge upon those of the great industrial countries or of activities which do not so impinge, whether for example, five per cent. or thirty per cent. of our people are to be engaged in industries which actively compete in foreign markets with the industries of Europe. Certain of our economic activities are for us pacific in tendency, inasmuch as they do not affect industrial Europe or actually benefit her. Of such a nature is agriculture. Every added bushel of wheat or bale of cotton raised in the United States improves the chances of European industry, lessens our competition with Europe and increases our market for European wares. The same is largely true of our production of copper, gold, silver, petroleum and other natural products. Upon these extractive enterprises, including coal and iron ore, is based a vast manufacturing industry which supplies our home population, and an immense transportation and commercial system which has its roots in our home resources. Our railroads do not appreciably compete with those of England and Germany; on the contrary the industrial progress of those countries is hastened by the development of our transportation system, which cheapens their food and raw materials. On the other hand a development of the American carrying trade, a growth of ship-building, shipping and export trade, however necessary or desirable, trenches immediately upon British and German ship-building, carrying and export trade, and leads directly and inevitably to economic conflict.<sup>1</sup>

<sup>1</sup> Agriculture is not essentially pacific; in various stages of historical development agricultural nations war upon each other in order to secure more land or to levy tribute of grain. The pacific tendency of our present agricultural development arises out of the needs of industrial Europe. Our agricultural progress, however, is peaceful only in so far as it increases the product of our fields; it would not be peaceful, and might be the exact reverse, if we sought to increase our acreage by, let us say, a conquest of Canada.

The dependence of our economic mutuality with Europe upon our agriculture may be illustrated by an hypothesis. Assume that our agricultural products were permanently cut in half while our population remained constant. We should have no food to export and would be obliged to import food. Millions of men would be forced out of agriculture into manufacturing industries, and as the home demand for these industries would be lessened a foreign market would be essential. Our railroad traffic would diminish, and railroad workers, thrown out of employment, would enter the export trade. We should be forced to secure foreign markets, and if political pressure were necessary, it would be forthcoming. Similarly, our chances for investment in agriculture and in railroad and industrial companies being lessened, capital would be forced to find an outlet in other countries, especially in semi-developed lands to which European capital flows. The rate of interest would fall, big risks would be taken, and if American investments were endangered by unrest or disorder in the backward country, our government would intervene. We should have no choice and could afford no scruples. Given such a fall in our agricultural product, the country would become imperialistic and bellicose, and there would be not the remotest possibility of our taking the lead in a policy to promote international peace.

The hypothesis is far-fetched, but exactly the same result would follow if instead of our agricultural product dwindling, it remained constant while our population grew. If our population increased 100 per cent. and our agricultural product remained stationary or increased only twenty or forty per cent., it would be impossible to maintain our present relation to the world. We must uphold a certain, not quite constant relation between our agricultural (and other extractive) industries and our

population if we are to keep out of the thickest of the European complications.

A secure basis for a policy of non-aggression lies therefore in the development of home agriculture.<sup>1</sup> It is not, however, to be expected that the proportion of farm workers will remain constant. In the United States this proportion has steadily fallen. Of every thousand males in all occupations 483 were engaged in agricultural pursuits in 1880 as compared with only 358 in 1910.<sup>2</sup> But despite this relative decline agriculture did not become less productive. More horses and more agricultural machinery were used, and fewer persons were able to perform the same amount of work.

What is more significant than the number of persons employed is the amount of land available for agriculture. Until 1900 we were in the extensive period of American farming, during which an increase in the population was met by an increased farm acreage. From 1850 to 1900 our population increased from 23 to 76 millions, but our farm area increased almost as fast and the improved farm area even faster.<sup>3</sup> During the decade ending 1910, however, a strong pressure of population upon American agriculture became obvious. In these ten years the country's population increased 21 per cent. while the total farm area increased only 4.8 per cent.<sup>4</sup> While 16,000,000

<sup>1</sup> By this is not meant that the nation should be preponderatingly agricultural, but only that where agriculture is sufficiently developed to maintain a large industrial population working for the home market the competition for foreign markets and foreign investment fields becomes less intense.

<sup>2</sup> "Agricultural pursuits" includes agriculture, forestry and animal husbandry. These figures from the United States Census, 1910, Vol. IV, p. 41, are only approximately exact, owing to almost insuperable difficulties in classifying occupations. See Vol. IV, p. 19.

<sup>3</sup> Thirteenth Census of the United States, Vol. V, Agriculture, p. 51.

<sup>4</sup> The improved farm acreage increased 15.4 per cent., and the acreage devoted to the principal crops 9.9 per cent.



people were added to the population the increase in farm area was equal only to what would accommodate an additional three and a half million people. It is no longer easy to stretch the farm area and to a large extent our farms must grow by the increase of the improved at the expense of the unimproved acres.<sup>1</sup>

Actually the per capita agricultural production in 1909 (the year covered by the census of 1910) was less than that of a decade before. Though the crops in the latter year were far higher in value, the increase in the *quantity* of product was only 10 per cent., as compared with an increase in population of 21 per cent.<sup>2</sup> Had the American people consumed all the American product in both years, they would have been obliged to cut down their ration by about one-tenth;<sup>3</sup> instead there was a vast diminution of exports. The growing population began to consume the agricultural products formerly exported. The question is therefore pertinent whether it will be possible for us indefinitely to feed from our own fields our increasing millions or whether we shall be forced to depend increasingly for food on outside sources and to secure this food by a development of our export trade in manufactured products.

To many this question will seem to answer itself. It is commonly assumed that there are almost no limits to

<sup>1</sup> The new lands, moreover, are not so good as the old. From 1850 to 1885 the lands brought into cultivation (Illinois, Iowa, etc.) were better than the earlier area, but since 1885 the farmers have driven forward into more arid lands further removed from transportation. "Across the Great Plains, the farmer has pushed closer and closer to the base of the Rockies and, as he has done so, the difficulty of producing a bushel of corn or wheat has continually increased." — King. (Willford Isbell.) "The Wealth and Income of the People of the United States," New York (Macmillan), 1915: pp. 23, 24.

<sup>2</sup> For the comparability of the years 1909 and 1899, see Census Volume on Agriculture, p. 537.

<sup>3</sup> Actually 9.9 per cent.

our possible agricultural production and therefore to our desirable increase of population. France is almost self-sufficing with a population of 189.5 to the square mile; when the United States (continental area) has an equally dense population we may maintain a population of five or six hundred millions. We need merely take up new lands and cultivate more intensively.

The opportunities for the further development of American agriculture, however, while undoubtedly great, are not immeasurable. At present we have some 879,000,000 acres in farms, of which 478,000,000 (or 25.1 per cent. of our total land area) are improved.<sup>1</sup> But of the rest of our area much is not useful. Some 465,000,000 acres in the western part of the country have an annual precipitation of fifteen inches or less, and of these acres, not over 30,000,000 could be profitably irrigated at present prices of farm products, labour, land and capital. This addition of 30,000,000 acres would increase our present improved area by less than seven per cent. Besides the permanently arid acres, moreover, there is other unusable land in national forests, roads, cities and in swamps and over-flow lands difficult to reclaim. With these deductions made, we have only 1,252,000,000 acres as the maximum farm area of the future. This is 31.1 per cent. greater than the present farm area.<sup>2</sup>

It is true that a larger part of the farm area can be cultivated. From 1900 to 1910 the area of improved lands increased 15.4 per cent. If this rate of increase could continue there would be about one billion acres improved by 1960, and this seems to be the absolutely out-

<sup>1</sup> Total land area equals 1,903,289,600 acres.

<sup>2</sup> Thompson, Warren S. "Population: A Study in Malthusianism." *Studies in History, Economics and Public Law*, Columbia University. Vol. LXIII, No. 3. New York, 1915.

side upper limit. But this does not mean that a billion acres could be improved and cultivated at the same cost per acre as at present. The improved lands would require a constantly increasing amount of capital and labour to secure returns equal to those which the farmer now obtains.

Similarly there are limits to the extent to which we can afford to divide up our land into smaller farms in order to secure a larger production per acre. Intensive cultivation is an alluring phrase but in the production of many staple crops intensive cultivation is dear cultivation. The movement in progressive agricultural communities is towards a moderately large farm. It is the smaller farms (of from 20 to 99 acres) that the boys and girls leave most rapidly. "The farm management studies," writes Mr. Eugene Merritt of the U. S. Department of Agriculture<sup>1</sup> "indicate that on these small-sized farms, man labour, horse labour, and agricultural machinery cannot be used efficiently. In other words, economic competition is eliminating the unprofitable sized farms."<sup>2</sup>

<sup>1</sup> "The Agricultural Element in the Population:" *American Statistical Association Quarterly*, March, 1916, p. 52.

<sup>2</sup> The dwarf farms found in many parts of Europe are even less economical. The Bavarian, French, or Belgian peasant secures more per acre than the American farmer but much less per hour or year of work. "Small scale farming, as we have defined it," says Prof. Thomas Nixon Carver, "invariably means small incomes for the farmers, though the land is usually well cultivated and yields large crops per acre." "The French or the Belgian peasant (because of the smallness of his farm) frequently finds it more profitable to dispense altogether with horses, or even oxen, as draft animals, using rather a pair of milch cows, or only a single cow, for such work as he cannot do with his own muscles." "He would likewise find a reaping or a mowing machine a poor investment. The general result of such small scale staple farming is necessarily the use of laborious and inefficient methods."—"Principles of Rural Economics," pp. 253-54. New York, 1911.

The pressure of agricultural population upon a given farm area results either in the growth of an inefficient small scale production or of a large rural proletariat. Both are undesirable and neither will permit farming on as cheap a scale as at present. The actual trend to-day in districts where cereals are raised is towards larger farms (of 150 to 300 acres), and this tendency is likely to be increased by the introduction of cheap tractor engines, which now seems to impend. There is doubtless a considerable opportunity in the United States for an improvement in the average product per acre even though the increase in the area of cultivation constantly brings in land of decreasing fertility. If in the course of forty or fifty years we can increase the area under cultivation by fifty per cent. and the product per acre by 20 per cent. we shall have an increase in product of 80 per cent., which would provide for an increase in the population of 80,000,000 without any greater leaning upon foreign resources than to-day.<sup>1</sup>

We are likely, however, to lean upon certain foreign resources, and more especially upon Canada and the Caribbean countries. Whatever its political allegiance Canada is and will probably remain economically a part of the United States. The Iowa farmers, who sold out their home farms to buy cheaper land in Canada, unconsciously illustrated the closeness of this economic bond. We may draw upon Canadian wheat, fish, lumber and iron ore almost exactly as though the territory were our own. It is Canada's interest to sell to us and buy from us, and even preferential duties cannot entirely overcome our immense geographical advantage over Europe. Similarly

<sup>1</sup> If, however, the average product per acre remains constant or decreases, the pressure of the population will make itself felt far sooner.

we shall draw upon the Caribbean countries, whether or not we have a political union, for vast quantities of tropical food stuffs.

Whatever our importation of food an increase in agricultural efficiency is also probable. We have already improved and cheapened our farm machinery and have disseminated agricultural education and information. But much progress remains to be made. We can use better seeds, raise better crops and cattle, and work more co-operatively instead of individualistically. Our transportation system can be better co-ordinated with our agriculture, so that food, now wasted because it will not pay the freight, can be brought to market.<sup>1</sup> A better knowledge of the science of farming would greatly increase our agricultural production. If our country roads were improved, if we varied our crops more intelligently, if we refrained from impoverishing our soils, if we drained some tracts and irrigated others, we should speedily discover a vast increase in our agricultural productiveness, a larger return to the farmers, a greater home demand for manufactured products, and a better opportunity for capital at home.

<sup>1</sup> The loss in perishable farm products, to cite only one instance, is tremendous. A very large proportion of the perishable fruits and vegetables, and a smaller proportion of the dairy and poultry products, decay on the farmer's hands. According to a study made by Mr. Arthur B. Adams, "at least 25 per cent. of the perishables which arrive at the wholesale markets is hauled to the dump-pile because it is unfit for human consumption. . . . In warm weather Florida oranges lose 30 per cent. in transportation alone, and if we add the decay after the fruit reaches the consuming centre the total loss would be astounding. There is a loss of 17 per cent. in eggs from producer to consumer, due to breakage, decay, etc., but butter has an equally great loss. . . . It is not an over-estimate, therefore, to say that between 30 and 40 per cent. of the perishables which are raised on the farms are never consumed at all, but are a complete social loss."—"Marketing Perishable Farm Products." *Studies in History, Economics and Public Law*. Columbia University. Vol. LXXII, No. 3, p. 25. New York, 1916.

If by putting more capital and intelligence upon our farms, we were to add several billions to the value of their output, we should broaden the base of our whole economic life, enlarge the volume of our non-competitive exports, and in the end approximate conditions that would make for a peaceful foreign policy and for the promotion of an economic internationalism.

But though we widen our agricultural base, our population unless its rate of progress is checked, will eventually, and perhaps soon, overtake any extension.<sup>1</sup> Though we increase agricultural knowledge and substitute mechanical for animal power and gasoline for hay, the law of diminishing returns will remain. Ten men cannot secure as large a per capita product from a given area as five, or twenty as large as ten. But if our population were to maintain its present geometrical increase we should have 200,000,000 inhabitants in 1953 and, to assume the almost impossible, 400,000,000 in 1990. Long before the latter figure could be reached there would be positive and preventive checks to further growth, but if these checks were late in being applied, there would come increased inequality, misery and economic uncertainty, and an enhanced liability to war.

For us as for other nations a too rapid increase in population spells this constant danger of war. Our farms cannot absorb more than a certain proportion of our population without causing lowered wages and increasing poverty, and we cannot expand our export trade without entering into the range of international conflict. While therefore an improved agriculture with high food prices will permit of an increase in our population, it is

<sup>1</sup> It is of course assumed that no means will soon be found by which cheap food can be produced synthetically; if that happens, all our conclusions go by the board.

advantageous that that increase does not proceed too rapidly. If we grow to two hundred millions in seventy-five or one hundred years instead of in thirty-seven, we shall still be strong enough to protect our present territories and shall have less occasion to fight for new.

Fortunately our rate of population increase, despite immigration, is steadily decreasing. In the decade ending 1860 our population increased 35.6 per cent., in the period 1860 to 1879 at an average decennial rate of 26.3 per cent., and in the three following decades 25.5 per cent., 20.7 per cent. and 21.1 per cent respectively. The fall in our natural increase was even greater. While the death rate has declined <sup>1</sup> the birth rate has fallen off even more rapidly. Our birth statistics are inadequate, but we can gain some idea of this decline by comparing the number of children under 5 years of age living at each census year with the number of women between the ages of 16 to 44 inclusive. In 1800 there were 976 children per 1,000 women in these ages; in 1830, 877; in 1860, 714; in 1890, 554; in 1910, 508.<sup>2</sup>

For a number of decades a continuation in this falling off in the birth rate is probable. It is rendered necessary by the fall in the death rate and possible by the fact that birth has ceased to be a mere physiological accident

<sup>1</sup> In the decade 1850-59 the death rate in New York City was 35.6 per cent., in the period 1900-13 only 15.3 per cent.; in Massachusetts, in the same periods, the death rate was 18.0 and 15.5 per cent. respectively. The diminution was due, partly to a change in the age-constitution of the population and partly to a progressive control of diseases.—Walter F. Willcox, "The Nature and Significance of the Changes in the Birth and Death Rates in Recent Years." *American Statistical Association Quarterly*, March, 1916, p. 2.

<sup>2</sup> Prof. Willcox, who presents the table from which these figures are drawn, illustrates the decline by showing that its continuation would wipe out all births in 160 years, so that by 2070 we should live in a baby-less world.—*Op cit.*, pp. 11, 12.

and is coming under human control. "The most important factor in the change," says Dr. John Shaw Billings, "is the deliberate and voluntary avoidance or prevention of child-bearing on the part of a steadily increasing number of married people who prefer to have but few children."<sup>1</sup> The spreading of the knowledge of birth control and the increasing financial burden of children in an urbanised society composed of economically ambitious people will probably prevent our population from ever again increasing as rapidly as it did half a century ago.<sup>2</sup>

In the meanwhile our immigration (until the outbreak of the present war) continued to increase. In the ten years ending June 30, 1914, over ten million immigrant aliens arrived in the United States, of whom approximately seven millions remained. Nor has the high point in immigration been surely attained. The European population increases so rapidly that the excess of births over deaths is between three and four times the entire emigration. Immigration tends to flow from countries where the pressure of population is greater to countries like the United States, where the pressure is less. Unless there is restriction we may witness within the next decades a new vast increase in immigration, which will result in a rapid growth of our population and a resulting pressure upon our agricultural (and other natural) resources, that will vastly increase the intensity and bitterness of our

<sup>1</sup> Quoted by Prof. Willecox, *op. cit.*, pp. 13, 14.

<sup>2</sup> That there lies a danger in exactly the opposite direction cannot be denied. There are limits to the fall in the death rate, but practically no limits to the possible decline in child-bearing. The limitation of births is almost entirely determined by individual (or family) considerations, and may proceed to a point where population will decline rapidly and perhaps deteriorate in quality. A linking up of the individual interest in small families to the social interest in having the population maintained or slowly increased, as well as improved in quality, is essential.



competition for the world's markets and the world's investment opportunities.

By thus increasing our agricultural product, and developing our home market and our less directly competitive industries and by slackening an increase in our population, which would otherwise force us into foreign adventures, we tend to approach a balanced economic system and a parallel growth of extractive and manufacturing industries. Such a dependence in the main on home resources for the nation's primal needs is in the circumstances the best preventive of an imperialistic policy that might lead to war. But there is an even closer-lying incentive to imperialism and war. A nation may have a sufficiently wide base and an efficient industrial development but because of internal economic mal-adjustments may be driven into imperialistic courses. A policy not dictated by national needs may be forced upon the nation by the necessities and ambitions of its dominating class.

## CHAPTER XIV

### AN ANTIDOTE TO IMPERIALISM

A NATION, though economically complete, in the sense that it could, if it desired, maintain its population upon its own resources may yet be lured into an imperialistic and warlike policy. Just as political disintegration leads to internal conflicts, disorders and finally foreign intervention, so an economic disequilibrium, by placing the interests of certain classes within the arena of international friction may evoke a struggle, which can have no other issue than war.

This is exactly the effect, for example, of a gross inequality of wealth and income. Such an inequality means that multi-millionaires, gaining far more than they can spend, are impelled to invest their surplus funds in outside ventures. The capital that can be profitably absorbed by industries manufacturing for home consumption depends upon the ability of the population to purchase food, clothes, houses, furniture, watches, and automobiles. If the population cannot or will not increase purchases at a rate commensurate with the increase of national savings, a vast capital must either be diverted to manufacturing for the export trade or must itself be exported. Neither of these deflections is in itself bad; in moderation, both are good. There is, however, a certain degree of intensity of competition for foreign trade and investment which means industrial war and the danger of military war. The wider the interval between na-

tional savings and national consumption, the more powerful and dangerous is this expulsive tendency of capital.

Such a tendency may arise in a country in which, despite an equality in wealth, the national savings are excessive, but the greatest danger is in countries in which the returns to capital, rent and business enterprise are large and the returns to labour small. The big profits come from the manufacture of articles of common use, and the home demand for such articles is limited by the consuming capacity of poor men. The surplus capital must therefore find a vent, and the larger this surplus capital, the more venturesome it grows and the more insistently it demands that the state back up its enterprises.

We may trace this development in the recent history of Great Britain. Though British wages rose during the half century ending in 1900, the consuming capacity of the masses was not sufficient to employ the rapidly expanding capital. British capital went everywhere; among other places to the Transvaal. There was more money in "Kaffirs" than in making socks for the British artisan, and if international friction resulted from this capital export, it was all the better, or at least none the worse, for the financiers. The men who controlled the Rand mines knew when shares were to rise and when they were to fall, and profited by their knowledge. Nor were war preparations disadvantageous. An extra Dreadnought helped British capital more than would the expenditure of the cost of such a vessel in increasing the wages of school teachers. Yet it was because school teachers and other wage-earners in Britain, as in many other countries, were poorly paid, that the accumulating capital of the nations was forced increasingly into foreign lands and into imperialistic ventures. Morocco, Egypt, Korea and Manchuria offered larger rewards than did the highly com-

petitive businesses which depended on the custom of French, English and Russian peasants or wage-earners. The inequality in the distribution of wealth proved to be a stimulus to imperialistic competition.

Those who are satisfied with things as they are never tire of speaking of this distribution of wealth as an immutable thing, protected by economic laws more potent than legislative enactments. They insist that law cannot control the expansion of capital or the distribution of wealth. But our whole system of distribution is based on law. If England had not preserved entail and primogeniture, if France had not decreed the equal inheritance by all children, if the United States had not adopted a liberal land policy, the distribution of wealth in each of these countries would have been far different. Within wide limits the economic course of the nation can be controlled.

Such a peaceful programme for creating a better distribution of wealth, a wider consumption and therefore a larger employment of capital in industries for home consumption has the added advantage that it is a policy in complete harmony with the interests of great sections of the population. The average man desires peace feebly; he does not think of it day and night and is not willing to fight for it. But he is willing to fight for things which actually contribute more towards peace than do arbitration treaties. The demand of the workman for higher wages, shorter hours and better conditions is, whether the wage-earner knows it or not, a demand for international peace. Progressive income and inheritance taxes, the regulation of railroads and industrial corporations, the conservation of natural resources are all opposed to an imperialistic policy leading to war. In short the entire demo-

cratic struggle against the narrow concentration of wealth, by increasing the demand for capital within the country, tends to preserve us from a meddlesome, domineering, dangerous imperialism.

To increase the consumption of the masses of our people is easier for us than for Germany or England because of our wider economic base, our bulk, territory and immense potential wealth. To increase wages, we need not, like the crowded countries of western Europe, acquire new resources beyond our borders. We already have a place in the sun, and out of our waste can extract more than can Germany or France out of colonies for which they must fight. It is easier for us to increase industrial rewards because we now waste more in our unregulated scramble for wealth than Germany gains in her scientific, economical use of her smaller resources. Compared to industrial Germany we are a spendthrift nation. Had Germany our resources and numbers, she would be peaceful and rich; were we obliged to live on her narrow territory, we should be bellicose and impoverished.

Not that Germany has solved the whole problem; all she has learned is to be efficient. Her early poverty taught her to make a little go a great way, to combine the peasant's industry and parsimony with the far-flung plans of the business organiser. So capably has she done this that living conditions have improved as her population has increased. Where all nations have as yet failed, however, is in the distribution of the industrial product. In the end a gross inequality of wealth and income, as we find it in all developed countries, is another form of waste. It means fewer economic satisfactions, less true value. A few billion dollars added to the income of twenty thousand families is of less utility than when distributed among

twenty millions. Inequality of wealth, moreover, involves low wages, over-work, child labour, insecurity, unemployment, preventable disease, premature death, in short, a bad economy. It also involves an inability on the part of the masses to consume the product of industries in which the wealthy invest.

The economic inequality in the United States does not as yet present the same imminent dangers as in certain European countries. Wealth, it is true, is most unevenly distributed,<sup>1</sup> but while incomes are also very unequal,<sup>2</sup> the rate of wages<sup>3</sup> and the returns to farmers and to small business men are far greater than in the industrial countries of Europe. Our statistics of consumption reveal an immense and constantly increasing demand for all kinds of articles and services. As compared with England or Germany the distribution of income in the United States permits a high standard of living and creates a vast demand for the use of capital in industries for home consumption.

There is, however, a danger that these conditions may grow worse. An unrestricted growth of the population

<sup>1</sup> According to estimates based on studies of estates probated in Massachusetts and Wisconsin, it appears that 2 per cent. of the population owned almost 60 per cent. of the wealth while the poorest 65 per cent. of the population died in possession of only about 5 per cent. of the wealth. See King (W. I.), "The Wealth and Income of the People of the United States," New York, 1915; also cited sources.

<sup>2</sup> Twenty per cent. of the population receive 47.2 per cent. of national income and the remaining eighty per cent. of the population 52.8 per cent. of the national income.—King, *op. cit.*, p. 235.

<sup>3</sup> From 1880 to 1910 the total wages (and salaries) paid in the United States increased from 3.8 to 14.3 thousands of millions of dollars; the average wage increased from \$323 to \$507; the increase in the annual wages, taking into account differences in the cost of living, was 64 per cent. For basis of these calculations see King.

either through natural increase or immigration would tend to increase monopoly profits and reduce real wages, thus accentuating the inequality of distribution and forcing an enormous surplus capital to be devoted to foreign trade and foreign investments. On the other hand there is an opportunity to improve our conditions. There is still a wide margin for a real increase in wages, for shorter hours, better labour conditions, improved education, improved recreational facilities, and in general a deflection of a large part of the national dividend to the improvement of the conditions of life of the whole population.

For a long time Americans ignored the necessity of any such social policy. We were almost as wasteful of our human as of our physical resources. From birth to burial we regarded our men and women as human accidents, who died or lived, languished or grew great, as circumstances decreed. Though in recent decades we have approached to a keener sense of collective national responsibility, we still suffer not only from a high infantile death-rate but also from a disastrous neglect of children who survive. Our educational system is still rudimentary, conventional, and ill adapted to our economic needs. There is little industrial education, less vocational guidance, and almost no care at all for the adjustment of the educational system to the later needs of the children. Millions of children, who in the next generation are to decide questions of war or peace, are growing up, anemic, underfed, intellectually sterile, and without *morale*, firmness or strength. Our slums, our low wages, our evil conditions in mines and sweat-shops unite to give us the tramp, the corner loafer, the exploiter of vice, the criminal. Such conditions are in every sense dangerous to our peace as also to our well-being. They mean a low economic efficiency, a restricted consumption, a barrier to the proper capitalisation of our country.

Apart from this, the corruption arising out of such conditions menaces our national character. We hear praise to-day of the iron discipline of the German army, but we hear less of the discipline of the German school, factory system, social legislation, trade-union. If millions of Americans are shiftless, shuffling, undisciplined and only vaguely and crudely patriotic, the cause is to be found in our neglect of the lessons of modern social life.

To state these conditions of human waste and exploitation is to suggest the remedies. All such remedies cost money, hundreds of millions. There is no progress without higher taxes, better spent, and we shall not advance except by the path of a vast increase in collective expenditure for common purposes. In the end, of course, such improvements will pay for themselves. If we spent fifty millions a year upon agricultural education, we could easily reimburse ourselves out of our increased production. We spend over five hundred million dollars annually upon public elementary and secondary education, a sum much greater than that spent in any other country. If, however, we could efficiently organise our school system, we could more profitably spend three times as much. There are many other chances for the ultimately profitable investment of our capital upon agencies which make for a more intelligent, active, industrious and self-disciplined population.

There is an added use to which such higher taxation may be put. By means of a larger collective expenditure, a more equal distribution of income and a wider consumption by the masses may be secured. What can be attained by industrial action, such as strikes, can be effected in even greater measure through fiscal action. Taxes, to redress inequality, should be sharply graduated. By taxes on unearned increment and monopoly profits, by the regu-



lation of the wages, prices, dividends and profits of great corporations, we could increasingly divert large sums to wage-earners, consumers, stockholders and to the nation as a whole. By increasing the consumption both of individuals and of the national unit, such taxation would give an impetus to home industrial development. If this deflection of wealth from the rich caused a temporary lack of capital, the resulting rise in interest rates would stimulate saving and repair the evil.

Such a progress would mean not only an advance towards a fuller, freer and more active life for the population but also a diminution of the impulse to imperialistic adventure and war. An increased income for the men at the bottom creates a broader economic base, a less top-heavy structure, with smaller necessity for support from without. It increases our home market, widens the home investment field and reduces the intense sharpness of competition for the profits of the backward countries. It affords the opportunity to be disinterested in foreign policy and to work for the promotion of international peace. Equally important is its effect upon the national psychology. It gives the people a stake at home. A device, familiar to certain statesmen, is to divert the people's minds from domestic affairs by arousing animosity against the foreigner. Is it impossible to allay hatred of the foreigner by concentrating interest on home concerns?

Psychologically this process is nothing but immunisation. A disease may be resisted by the absence in the blood and tissues of substances needed by the bacteria for their growth and increase. As we may immunise the body, so we may immunise the mind of individual or nation. We protect our children from error, not by forbidding the publication of false doctrine but by creating in the child's mind a true knowledge and a faculty of criti-

cism. Similarly to guard against the infection of the war spirit a public opinion can be created in which war bacteria will find no nutriment.

To immunise society is not, however, a mere juggler's trick; we cannot ask Washington to legislate us into immunity. What is needed is a potent social change, arousing enthusiasms and antagonisms, and involving a new attitude towards business and politics, freedom and discipline; a new efficiency; a new balance of power within society; a new attitude towards the state; a new value placed upon the life of each individual. Such a change involves a patriotism so exigent that the nation will resent poverty in Fall River or Bethlehem as it resents murder in Mexico. Many Americans would find such a revolution in our conditions and attitudes uninteresting or worse; some, with vast material interests at stake, would prefer a dozen wars. Against this indifference and opposition, the change, if it comes, must make its way.

Such a progress would not, of course, create perpetual peace within the community. We read much to-day of satiated nations, unwilling to fight for more, but considered from within, there is no satiated society. Everywhere groups fight for economic, political or social advancement. In a democratic community the mass of the people, and especially the manual workers, though in a more favourable economic situation, would still be unsatisfied. Conflict would endure. It is well that it should be so, for a society in which all were contented in a buttressed, routine life would go to war through sheer boredom.

The economic antidote to imperialism thus resolves itself into a very necessary intellectual and emotional antidote. The lure of war persists even to-day, when soldiers dig themselves into burrows and individual courage is lost in the vast magnitude of the contest. Nor can you

counteract the temptation to fight (or have others fight) by preaching sermons against war, for the sermon and the bugle-call seem to appeal to different cells in the brain. All you can do is to polarise a man's thoughts and inspire him with other interests, ambitions and ideals. A full, varied, intense life is a better antidote than a mere vacuity of existence, without toil, pleasure, pain or excitement.

In his search for an antidote to war, William James points out how utterly the ordinary pacifist ignores the stubborn instincts that impel men to battle. "We inherit," he says, "the war-like type. . . . Our ancestors have bred pugnacity into our bone and marrow, and thousands of years won't breed it out of us. The popular imagination fairly fattens on the thoughts of war." The men at the bottom of society, James assures us, "are as tough as nails and physically and morally almost as insensitive," and if not to these then to all "who still keep a sense for life's more bitter flavours . . . the whole atmosphere of present-day utopian literature tastes mawkish and dishwatery." For the discipline of war, William James wishes to substitute another and more strenuous discipline, "a conscription of the whole youthful population to form for a certain number of years a part of the army enlisted against *Nature*." "The military ideals of hardihood and discipline would be wrought into the growing fibre of the people; no one would remain blind as the luxurious classes now are blind, to man's relations to the globe he lives on, and to the permanently sour and hard foundations of his higher life. To coal and iron mines, to freight trains, to fishing fleets in December, to dish-washing, clothes-washing and window-washing, to road-building and tunnel-making, to foundries and stoke-holes, and to the frames of sky-scrapers, would our gilded youths be drafted off, according to their choice, to get the

childishness knocked out of them, and to come back into society with healthier sympathies and soberer ideals.”<sup>1</sup>

Even in a society which would permit an industrial conscription both of rich and poor, a certain latent bellicosity, making for war, would undoubtedly persist. There seems to be an irreducible minimum of jingoism, just as whatever your precautions, you cannot quite do away with rats or noxious germs. No nation is free from this cheapest intoxicant. You may find it with the expansive American on his travels or on the cracker-barrels in the country store and you cannot help stumbling over it in the yellow journals and in many dull and respectable newspapers which do not know that they are yellow. Even the self-depreciating type of American may turn out to be a jingo if you will trouble to take off his peel.

Such jingoism, however, though unpleasant may be quite innocuous. We all have a trace of it as we all are supposed to have a trace of tuberculosis. So long as our jingoes confine themselves to merely trumpeting national virtues, actual and imputed, we may rest content. Such men will scarcely be capable of stirring a whole population to war, if men are living under decent conditions, struggling for still better conditions, and competing on a high plane. If we can secure prosperity, efficiency and equality and can make life fuller, more intense, varied and romantic, the ravages of jingoism will be circumscribed.

It will be argued, however, that though we make our conditions what we will we shall still be anxious to fight at the first opportunity. “It is evident,” says Prof. Sumner,<sup>2</sup>

<sup>1</sup> William James. *The Moral Equivalent of War*. In “*Memories and Studies*.” New York. Longmans, Green & Co. 1912.

<sup>2</sup> Sumner (William Graham). “*War and Other Essays*,” New Haven (Yale University Press), 1913, p. 29.

“that men love war; when two hundred thousand men in the United States volunteer in a month for a war with Spain which appeals to no sense of wrong against their country and to no other strong sentiment of human nature, when their lives are by no means monotonous or destitute of interest, and where life offers chances of wealth and prosperity, the pure love of adventure and war must be strong in our population.” If two hundred thousand volunteer for a war when we are not obviously attacked, will not the whole country go to war for the sake of “honour”?

It would be foolish to answer this question categorically; no one can predict what a nation will do when wounded in its self-esteem. The heir of thousands of centuries of fighting, man is to-day, as always, a fragile container of dynamite, not guaranteed against explosion, and there are experts in the touching off of dynamite. When Bismarck falsified the Ems despatch he knew exactly what its effect would be upon the French sense of honour. But “honour” is an ambiguous word, meaning everything, from a scrupulous regard to national obligations freely entered upon to a mere truculent bellicosity. The honour of nations, in the sense that nations usually fight for honour, is mere prestige, and prestige is not much more than an acknowledgment of formidableness. The Danes and the Dutch are honourable, but, in the sense in which the word is ordinarily used, neither Denmark nor Holland can afford honour. The claims of national honour, moreover, are strangely shadowy and transitory. What seems imperatively demanded by honour at the moment becomes insignificant later. For a number of years the United States paid tribute to the Barbary pirates; our citizens were sold into slavery and his Serene Majesty, the Dey of Algiers, treated our representative in a manner which a great power to-day would hardly adopt in an ultimatum to

Paraguay or San Marino.<sup>1</sup> But it was not then convenient to fight and so we pocketed our honour until a more convenient occasion. The Dey of Algiers has long since gone to the scrap-pile of history, while the United States remains, a respected and honourable nation.

Nations which are sure of themselves, like men who respect themselves, are somewhat slower to resent affronts than nations which are insecure and fearsome. In 1914 Austria was solicitous of her honour, which, she believed, was assailed by Servia, and Russia was solicitous of hers, for these two powers were engaged in a contest over the fears and prepossessions of the Balkan States, and "honour" meant adherents. But when in the same year, a Mexican government offered what was believed to be an affront to the United States, our people were in no mood to feel insulted. We did not need prestige. After all, questions of honour are usually questions of interest. In the *Lusitania* controversy, we did not receive the apologies which we believed were due to us. But as we had no interest in fighting Germany, and as Germany gained less from her submarine campaign than she would have lost in a war with us, the matter was amicably, though not logically, settled or at least postponed. Had we, however, been in a different economic position, had a few million unemployed men been striking, rioting and threatening to revolt, or on the other hand had we had plans for our aggrandisement at the expense of Germany, acts of war would have followed within twenty-four hours of the massacre. We should have been far more "jealous in honour." But we were otherwise engaged. The headlines were full of the events

<sup>1</sup> "In 1800 Captain Bainbridge, arriving at Algiers with the usual tribute, was ordered to carry dispatches to Constantinople. 'You pay me tribute,' explained the Dey, 'by which you become my slaves, and therefore I have a right to order you as I think proper.'"—Fish. (Carl Russell.) "American Diplomacy," New York (1915), p. 141.

in Europe and the horror of that tragedy in the Atlantic, but the gaze of America was inward. We were interested day by day in the ambitions of peace.

Thus our hope of remaining at peace ourselves and of contributing to the peace and economic reorganisation of the world depends not only upon the conservation and development of our natural resources but also upon a distribution of wealth and income which will widen the consumption by the masses and will give to the whole population the opportunity of a full, varied and purposeful life. All these things, as well as the moral discipline which is so urgently needed, can be secured only as we learn to apply a national policy to our own nation. It is our own slackness, our own "state-blindness," our lack of a complete democracy, which increases our chances of imperialism and war. It is, on the other hand, our increasing willingness to take a national view of internal affairs, our increasing desire to base American prosperity upon American resources and to make life fuller and more valuable, that acts as a deterrent to war and fits us for the difficult task of contributing to a world peace.

Finally such a contribution to the peace of the world implies the condition that our own foreign policy shall not be in conflict with the international ideals which we are seeking to promote. If we ourselves are interested in the parcelling out of backward countries, we shall not be able to exert a restraining influence upon nations whose necessities are greater than ours. By this is not meant that we are to stay at home completely and enjoy no rights beyond our borders. Such an effacement would mean a monastic seclusion for the United States. But while in the world beyond there is a fair field for peaceful competition, in which we also may take our part, our hope of promoting economic internationalism depends upon our not playing

a lone hand, upon our abstention from a selfish and short-sighted policy of national aggression and upon our free co-operation with other nations seeking the goal of international peace.



## CHAPTER XV

### AMERICAN INTERESTS ABROAD

No nation in its foreign policy is completely disinterested, in the sense that it willingly abandons or sacrifices its larger interests. What generosity it displays is usually in smaller matters, like a rich man's gift to a beggar. England may sacrifice interests in Jamaica to uphold the principle of human freedom, while at the same time fighting China to force the admission of opium. Similarly the United States may generously return money to Japan (as in the Shimonoseki case) or to China, or relieve the sufferers of Messina or of Belgium. In really vital matters, however, nations are not self-sacrificing, but tenaciously pursue their own interests.

There are two senses, however, in which a nation may be disinterested in its foreign policy. Either it may possess no interest or its separate interest may be so small in relation to its larger interests elsewhere that it is willing to make a sacrifice. If, for example, the present war ended in a deadlock and the two groups of powers, unwilling to trust each other, were to confide Constantinople and the straits to the keeping of the United States, it would be almost unthinkable that we should be false to the trust. We should have no interest in favouring one group of nations as against the other; we should have no political axe to grind and no economic or territorial gains to make. We should be fair and disinterested because we had no interest.

Our recent attitude toward Cuba, the Philippines and Mexico has been relatively disinterested in the second sense. We might have made money by exploiting these countries. We could have held Cuba; we might have imported a million Chinese into the Philippine Islands and grown rich on their toil, while in Mexico, where we already had invested a large capital which was menaced and in part destroyed by the revolution, we could have taken what we wanted and held what we took. Certain motives of decency prevented us from following this ruthless course; our self-satisfaction was worth more to us than a few hundred million dollars. The important fact, however, was that we were not pressed for this wealth. We were not compelled by poverty or pressure of population to grab what we could. We were able to seek a larger interest, to lay the basis of a slower but surer prosperity and to gain the good will, if not of Cubans, Filipinos and Mexicans, at least of the nations generally. In the long run it was a policy that will pay, and our conditions are such that we can still afford to consider the long run.

But although we have been occasionally disinterested or have shown at least a chemical trace of disinterestedness, our foreign policy has usually pursued concrete national aims. It has been a conservative, relatively uneventful policy, consisting for the most part in a quiet, unhurried advancement of our interests, with a not excessive consideration for the opinions of other nations. We have been cautious though persistent. We have avoided forcing quarrels upon powerful nations until we had grown irresistible. Usually we obtained the large thing, but where we could obtain it only by fighting formidable opponents, we compromised. When as in 1861 we found ourselves in a dangerous position, we endured aggression by France and Spain until we were again free

to compel redress. Time worked for us, the passing years were our allies and we could afford to move slow. But we moved always in one direction — toward our perceived national interest.

The issue, therefore, is not whether we shall sacrifice our national interests, but whether in our foreign policy we shall pursue ultimate, or at least relatively permanent, interests in a large way or seek immediate, smaller gains. It is a choice similar to that which a great store makes when it sells standard goods at a fixed price instead of seeking immediate advantage by petty cheatings and interminable and multitudinous hagglings. As nations advance towards power, stability and security, they are enabled to base their programmes increasingly on long time views and, ceasing to be interested in small advantages, to seek their larger interests in a policy of tolerance and seeming magnanimity. It was to England's real interest to be scrupulously fair in peace time toward weaker naval nations; it was equally to her larger interest to open her dependencies to the trade of the world and to accord political rights to her lately conquered Dutch subjects in South Africa. A tighter and harder policy would have been short-sighted. Even had it gained immediate advantages, it might have left England in a day of adversity with the great powers ranged against her.

The choice between immediate and ultimate interest in foreign policy presents itself daily. We could, for example, simply take the Danish West Indies, instead of paying for them, and doubtless might secure ourselves against a future retaliation by the great powers. Such an adventure, however, to say nothing of its ethics, would be monstrously stupid. Or, while the European nations are looking elsewhere, we might "go" into Mexico and keep

what we wanted. We have a better excuse than in 1846 and an equally safe opportunity. We should be richer to-morrow if we took Mexico, but would it pay in the end? Would such a conquest accord with our larger policies and our true ambitions in the world?

It is in this light that we should view the problem of our foreign policy as it shapes itself to-day. We must preserve certain national interests, material and spiritual. We must ward off certain dangers, securing ourselves as other nations secure themselves. But for better or worse, we have become a world power and a world influence, and what we do outside, as well as within, our borders, must affect the decisions and actions of other nations. If our ideal is not aggrandisement or empire but an equal fellowship with other great nations, if we desire to contribute to the progress of international development and not merely get all we can in the scramble, how shall we shape our foreign policy? On what broad general principle shall we decide the urgent questions which arise day by day in most unexpected conjunctions?

The answer to these questions is not easy; there is not even an agreement as to what our interests are. What, after all, do the hundred million Americans want beyond their borders? What are we willing to fight for rather than forego? What do we already have or claim, the retention of which would justify us in fighting?

How we shall answer this depends upon our temperament and our special interests. Certain Americans would advise us to fight all Europe, rather than recede from an action already determined upon or acknowledge that American policy is conditioned by the will of foreigners. One need not argue against such convictions. It is the current, instinctive philosophy of "My country right or wrong, wise or foolish; my country against the world." To fight

all Europe, however, is not to fight at all, but merely to be assassinated. To act as though Europe had no rights which America needs respect is to adopt a principle profoundly hostile to our own welfare.

To a financier, whose interests in Mexico, Guatemala or Indo-China are attacked, war seems preferable to a neglect of those interests. He would not put the matter so crudely; he would say that he preferred defeat or even disaster to a peace dictated by fear. What would lead him to this patriotic conclusion, however, would be the conviction that to do nothing would lose him his property, whereas even a disastrous war would cost him only his share in the national loss. And the war might be gained or even avoided, if only the United States were bold enough. He would, therefore, define our national interests as including all those things to which we in our good judgment believed that we had some claim.

Those with no special interest in foreign investments are less solicitous. A default on the bonds of Mexican railways is less costly to the Iowa farmer or Boston stonemason than the contraction of debts for the purpose of pacifying Mexico. To fight England or Germany seems more costly to the average American than to forego extra opportunities for making money in China or the Argentine. Even the farmer or stonemason, however, feels that the United States has certain interests and rights abroad. Our citizens should have the right to travel freely upon the high seas and in foreign countries and to enjoy privileges and immunities granted to citizens of other nations. We should have equal access with other nations to the sources of raw materials and to world markets, subject to the reserved right of each nation, including the United States, to levy customs duties for the protection of its own industries. Finally we should enjoy the right of

investing our capital and conducting our businesses abroad under the equal protection of the laws of the particular country.

All this is of course vague. It does not determine what protection we should assure ourselves in a country whose government is corrupt or unstable, nor does it consider the contingency of a weak nation, granting under duress more favourable conditions to some other foreign nation than to us.

While however we cannot arrive at any final decision as to the details of our foreign policy, we can at least formulate in general terms certain principles which we may seek to apply. The most vital of these principles is equal opportunity for all nations, and no special advantage for ourselves or others.

In accepting such a principle the United States would be merely applying to a territory, over which it held a dominant influence, a policy which, if universally applied by all the Great Powers, would immensely reduce the area of international friction. To apply such a principle in good faith is the first and most obvious contribution that we can make to economic internationalism. We cannot in reason demand the open door in Asia or in Europe's colonies if in our own colonies and in other lands where we are paramount, we adopt a contrary policy. We can afford to concede this principle of equal opportunity because of our resources at home and the large share of trade and investment opportunities which will come to us without special favours. What we might get above that is not worth the risk. A policy of taking all we can get, whether other nations suffer or not, is, apart from all other considerations, injudicious.

Such a policy of aggression might be cloaked for instance under the Monroe Doctrine, a vague tenet, capable

of contraction or infinite expansion. If we allow our speculators to determine its meaning, we shall in due course interpret the doctrine as the right of the United States to control South America politically and exploit it industrially. The downward path to such an interpretation is easy. To secure an inside track in Latin America we need only look askance upon concessions to Europeans and with benevolence upon concessions to Americans. We can place obstacles in the way of foreign corporations recovering damages for injuries suffered, while we aid American companies to secure redress. We can make our ministers to Latin America "business agents" of exporters and big banking concerns. Such a policy would mean economic and eventually political control, the much feared *conquista pacifica*.

If we embark upon such a policy we shall earn the hatred both of Europe and of Latin America. Hitherto the Monroe Doctrine has been safe from serious attack by Europe because England with her preponderant sea-power has been commercially the chief benefactor, and the other nations believed that, for the time being at least, South America was held open for joint exploitation. Moreover, Europe had nearer problems in the disposition of Balkan territory and in the partition of Africa and sections of Asia. So long as European nations were not ready to divide up Latin America, or so long as they believed that it would remain independent and thus open to the commerce of all, the temptation to fight for a slice of the great continent, though alluring, was not sufficiently powerful to overcome the sense of the peril of such an undertaking. For Germany to seek to conquer a part of Brazil would have been to add all the American nations to her already long list of enemies. But this tolerance of the Monroe Doctrine is conditioned upon our playing

the part of a guardian and not of a conqueror. We can neither monopolise Latin America industrially nor rule it politically (which might involve the same result) without trenching upon the common patrimony of Europe. To secure the inside track means therefore either to fight all Europe, which is impossible, or to share the booty with one or two allied powers, like England and France, and thus to enter into all the complications and dangers of European politics. A Pan-Americanism of this sort would involve us in the next Balkan imbroglio or the next quarrel over the Persian Gulf, and our peace would be at the mercy of any little monarch who struck the first blow at one of our allies.

In Latin America itself such a policy of aggression by the United States is already feared and resented.<sup>1</sup> The people to the south of us do not take our professions of disinterestedness with the simple faith of little children, but see in us a virile, formidable, unconsciously imperialistic nation, which has already benefited by its guardianship and hopes to benefit still more. They fear the colour prejudice in the United States and a certain unreasoning contempt for Latin-American civilisation might lead us impatiently to set aside their rights if they conflicted with our own interests. The Latin Americans already speak of a "North American Peril." They remember Texas,

<sup>1</sup> For a view of Latin America's fear of aggression by the United States, see such books as "El Imperialismo Norte-Americano," by F. Caraballo Sotolongo, Havana, 1914, and *América Latina ante el peliagro*, by Salvador R. Merlos, San José (Costa Rica), 1914. Both of these books are shrill and somewhat uncritical but they fairly represent a large body of Latin-American thought. There is usually a division of opinion as to whether the United States is to attain its ends by military or by financial means. "It is not *manū militari*," writes a French author, "that Brother Jonathan intends to carve out his place in the sun, but by the force of dollars."—"L'imperialisme allemand," by Maurice Lair, Paris, 1914.



Panama, Porto Rico. Indeed, they recognise that the United States, in despite of itself, may be forced to expand southwards. "It is more than probable," writes the Mexican sociologist, F. Bulnes, "that by 1980 the United States will hold a population of 250,000,000 inhabitants. They will then scarcely be sufficient for the needs of this population, and will no longer be able to supply the world with the vast quantity of cereals which they supply to-day. They will therefore have to choose between a recourse to the methods of intensive culture and the conquest of the extra-tropical lands of Latin America, which are fitted, by their conditions, to the easy and inexpensive production of cereals."<sup>1</sup>

There is a nearer danger. "Sometimes," writes Garcia Calderon, "this North American influence becomes a monopoly, and the United States takes possession of the markets of the South. They aim at making a trust of the South American republics, the supreme dream of their multi-millionaire *conquistadors*."<sup>2</sup> Thus to shut off Latin America, as Spain once did, would, however, injure the Southern republics and create an antagonism that would find its expression in armed resistance. Nor would this resistance be entirely negligible. A century ago, Latin America had a population of fifteen millions; to-day its population is eighty millions and is rapidly increasing. As an ally to European nations, opposed to aggression by the United States, a Latin-American country or group of countries might well exert a decisive influence.

Ill defined and vague, capable of being indefinitely expanded by all sorts of sudden interpretations, the Monroe

<sup>1</sup> F. Bulnes, "L'Avenir des nations Hispano-Americaines," quoted by F. Garcia Calderon, "Latin America," p. 312.

<sup>2</sup> F. Garcia Calderon, "Latin America. Its Rise and Progress," p. 299.

Doctrine is to-day a peril to Latin America and to ourselves. It is likely to become even more dangerous if turned over to an American plutocracy for its elucidation. If on the other hand, we restrict our policy to the protection of the interests of Latin Americans, Europeans and ourselves, we shall not only be safe-guarding our own peace, but shall be removing a future coveted area from the field of international strife. To adopt such a policy, however, means that we must be better informed and more concrete. It is absurd to lump together all Latin-American countries, as though all were equally advanced in civilisation. To compare the Argentine with San Domingo is to discover differences almost as great as between Holland and Abyssinia. Mexico is far more significant to us politically, economically and in a military sense than Brazil or Chile. Into the question of Panama, Haiti and the West Indian Islands generally, elements enter that are absent from our relations with Venezuela or Ecuador. Our policy towards these countries need not be identical. We should have a Mexican policy, a separate policy for the West Indian Islands, another policy for the Caribbean States, and an individual policy for each South American state. Our interests and obligations differ in these states. We cannot pretend to the same vital interest in the internal peace of Argentina as in that of our next door neighbour. We cannot cover these diverse conditions with the blanket of one vague doctrine.

In our relations to Latin America, moreover, we should not grasp at political sovereignty, if the reasonable economic interests of the world can in any way be secured without political incorporation. We are gradually being forced into a policy of acquiring dominion over certain Caribbean countries. We have a financial guardianship in Haiti and San Domingo; we have "taken" Panama,

and it probably needs only a little disorder to give us a quasi-protectorate over other small countries in the same neighbourhood. The United States, however, is on the whole still averse from such interference, wherever avoidable. We have kept faith with Cuba and there is strong opposition to acquiring Mexico, despite the agitation of financiers and instinctive border-line patriots. The problem is not easy, for a measure of peace in these neighbouring states is not only essential to us but is demanded by Europe (who will interfere if we do not) and peace may eventually require intervention. In countries like Haiti, which show at present an invincible distaste for orderly government, abstention is almost impossible.

The chief danger in our relations with certain Latin-American countries lies in this political instability and unripeness that makes property and life unsafe and the administration of justice notoriously corrupt. The result is extortion, bribery and violence clothed in legal form. Investors and creditors plead for intervention to enforce contracts, sometimes of doubtful validity, sometimes obviously dishonest. To meet the problems arising from such claims, we should have more information. Our Bureau of Foreign Commerce should ask for data concerning American investments abroad and especially in Latin America. Such information, supplied in the first instance by the corporations, should be verified by official investigations. There should be full publicity. Our consular representatives should not seek to secure special privileges or business orders, and our governmental influence should guarantee equal economic opportunities to all nations. No claim by Americans should be enforced until it has been reported upon favourably by a court of arbitration composed of representatives of nations with no interest in the controversy.

Whether the United States should seek the aid of England or of some other European power in the maintenance of the Monroe Doctrine or should endeavour to internationalise the doctrine by gaining the adhesion of all nations, or should support the doctrine with the aid of the Latin-American countries alone is a question the answer to which will depend upon the future attitude of European nations, and especially upon the relation of the United States to those nations. The difficulty of securing an international guarantee lies in the necessary vagueness of the doctrine. In the present state of mind concerning international guarantees, there is perhaps more immediate advantage in a special guardianship by the United States, the Argentine, Brazil and Chile, especially as in the case of an assault upon the doctrine by one or more European powers, the assistance of other European nations could probably be obtained. The important consideration at present is that the strength of the doctrine will be in direct proportion to the disinterestedness of the United States. The more clearly the doctrine can be made to serve the common interests of the world instead of the special interests of a single country, the more likely is it to secure the support in any crisis of a group of nations possessing a preponderance of world power.

Our relations with Canada present fewer temptations. Our policy should look towards the creation of friendly relations and a nearer economic union, but neither immediately nor ultimately towards a forced annexation. A willing political incorporation of Canada into the United States might be excellent, but an annexation against the opposition of the Canadian people would be a crime and blunder. It would mean an American Alsace-Lorraine upon an immense scale. Economically Canada and the United States are rapidly becoming one. With exports to

Canada already more than twice as great as those of all other nations (including Great Britain) we can at will draw upon her immense agricultural and mineral resources by the simple expedient of letting down our tariff wall. We can invest there as safely as Britisher or Canadian, and can benefit by Canada (as Canada benefits by us) as though she were a part of the United States. A growth of the eight million Canadians to twenty or more millions will mean for us an enhanced prosperity. Despite absurd prejudices on both sides of the border the economic union grows stronger.<sup>1</sup>

If we do not strive for an inside track in Latin America nor for the conquest of Canada, should we be willing to fight for the "open door" in China, for equal privileges in all parts of that Empire?

The phrase the "open door" has a pleasing sound. There can be no doubt that the opening up of China's ports to commerce with all nations on equal terms would be of immediate advantage to us, and probably to China herself. Our interest in the matter, however, is frankly selfish. Though we have a kindly feeling for the Chinese, so long as they stay in China, our "open door" policy is intended in the first instance to benefit our own merchants and investors. The alternative to the open door is to

<sup>1</sup> The problem of Canada's relation to European controversies and wars may in the future present difficult problems for the United States. If in the present war Germany had been able to land armies on Canadian soil, or if in the future Russia or Japan were to do so, the position of the United States might be rendered dangerous by the permanent establishment of a strong military power, let us say in British Columbia. Yet we could not demand that Canada be allowed to send troops against Russia or Japan and those nations be forbidden to attack in return. The problem of the immobilisation, and even of the neutrality, of Canada in certain future wars, in which Great Britain is engaged but we ourselves are neutrals, may become an urgent question.

permit other nations to divide up China, a proceeding in which we do not care to take part, and to exclude us from certain trade and investment opportunities.

It is doubtful whether these chances which we should lose by an unaggressive policy, are sufficiently important to justify us in entering upon a conflict with Japan or with Japan and Russia.<sup>1</sup> Our losses would be less than is imagined, for whoever opens up China will be compelled to admit other industrial nations upon reasonable terms. Japan cannot finance herself, to say nothing of financing China, and the nations, called upon to supply capital, would necessarily be consulted in essential political and economic arrangements. Even if Japan secured a relatively excessive share of the commerce, it would mean a diversion of other trade, which she formerly possessed, since her own factories would be busy. In the end, we could afford to permit other nations to take upon themselves the burden of policing China, in view of the fact that while our

<sup>1</sup> A guess at our possible losses through a non-aggressive policy in China is made by Mr. Thomas F. Millard in his "Our Eastern Question." "It is roughly estimated," he says, "that China's administrative, commercial, and economic development in the next twenty years will need \$2,000,000,000 of foreign capital. Under a genuine application of the Hay Doctrine, America would have approximately one-fourth of this financing. . . . The returns from this investment would be partly interest and partly trade. Five per cent. interest on \$500,000,000 is \$25,000,000 income annually." In other words for the privilege of gaining twenty years from now \$25,000,000 a year from an investment which if made at home or in the Argentine or in Russia would bring us in little less, Mr. Millard would have us put Japan in her place and if necessary join with England and perhaps France to fight both Japan and Russia. Even if we add the trade profits to this interest on investment, the total result is pitifully small. At our present rate of increase in wealth we may add about one hundred and fifty billions of dollars in the next twenty years. Whether or not one-half billion is invested in China is, nationally speaking, superlatively unimportant. If we intervene in China let us not do it for a few million dollars annually. (See Millard, *op. cit.*, p. 383.)

own profits might be less our expenses also would be less.

A deeper problem, however, is involved in this question of China. Just as by the Monroe Doctrine we seek to prevent European powers from conquering, colonising and dividing up America, so in China, our interest, apart from a share of the trade and investment chances, lies in contributing to the world's peace by removing that vast territory from the field of international political competition. What we should mean by "the open door" in China is the integrity of that country and its immunity from conquest, partition and forced exploitation. The plea of an "open door," as a mere tariff policy, comes with ill grace from us, who have closed the door both in Porto Rico and at home, but China's integrity is an issue of a different character.<sup>1</sup> It is important to us not so much for immediate economic reasons as because it is likely to promote peace. It is a world, rather than a national, interest.

Because it is a world-interest, it should be secured by the efforts of many nations and not by the United States alone.

<sup>1</sup>The significant question has been raised whether Manchuria should be included in the China, whose integrity is to be secured. While China is very densely populated, Manchuria prior to 1904 had only 8,500,000 people on an area of 376,800 square miles, a density of population considerably less than that of Minnesota. With immense natural resources, its development has, says Dr. James Francis Abbott in "Japanese Expansion and American Policies," p. 222, been prevented by "the existence of wandering brigands 'Hunghuntzies,' who terrorised the country." Dr. Abbott distinguishes between the Japanese occupation of Shantung, which is filled with Chinese, and of South Manchuria which "was a sparsely settled province of which China was merely the nominal owner. The Russians, and after them the Japanese, occupied it as Americans occupied California and annexed it for the same reason." Korea and Manchuria are absolutely necessary to Japan. "Japan's needs for expansion are real and obvious. Manchuria and Korea could hold the double of the Japanese population" (p. 233). In other words Dr. Abbott advises a policy of maintaining the integrity of a China, excluding however both Korea and Manchuria.

In principle, therefore, the Six-Power Loan, which in a sense was a joint guarantee, was a step in the right direction. That its specific terms were unreasonable and that the loan was in a degree forced were perhaps sufficient reasons for our withdrawal from the arrangement. Along somewhat similar lines, however, the early development of China should proceed, and it is to our interest to promote any plan that will prevent China from being the bone of contention among the belligerent nations of Europe.<sup>1</sup>

Our relations to Latin America, Canada and China are perhaps the most immediate of our foreign concerns. These are the lands in which we have the greatest stake and the greatest temptation to pursue an imperialistic policy. The real power in this world, however, lies in Europe. It is Europe that decides the fate of Asia, Africa, Australia, and may in the end decide that of South America. It is from Europe that the fear of war arises, and it is in our dealings with Europe, and in the dealings of European nations with one another, that the hope of peace and of progress in international development must centre.

<sup>1</sup> If China does develop an industrial civilisation it may be quite capable before many generations of maintaining its own integrity and independence. The weaknesses under which China now suffers would tend to disappear once it became industrially organised. That this impending industrial progress of China would mean ultimate economic danger to Western Europe is probable, but this remote danger would not prevent those nations pursuing their immediate economic interests in developing China.



## CHAPTER XVI

### PACIFISM STATIC AND DYNAMIC

IF at home we have a firm basis for national development, if we grow up as a Great Power beyond the range of fierce conflicts between the nations, the opportunity will be offered us to contribute in some degree to the ultimate establishment of peace, or at least to the limitation of war, in the world outside. Our influence can be cast upon the side of peace and augment the forces making for peace. Our hope lies in a national development, which will permit us while pursuing our larger national interests to work towards a great community of interest among other nations.

In such an international peace the United States has a direct and an indirect interest. It has been recently asserted that we in America might regard the present war with equanimity since it brought us huge profits. Undoubtedly there is money to be made out of the selling of provisions and munitions as well as from trade in countries from which competitors are temporarily excluded. On the other hand, the war means the impoverishment of European nations, who are our main purveyors and customers, and eventually the losses suffered by combatants must be shared to some extent by us who are non-combatants. The war brings about a dislocation of the world industry, a shrinking of capital, and in the end higher prices and a possible reduction in real wages.

In the years to come we shall be forced to pay our share of the cost.

Nor is this economic motive our sole reason for desiring international peace. We are linked to the nations of Europe, and however we declaim against "hyphenates," cannot prevent our immigrants from sympathising with the land of their birth. The present straining of loyalties in this country is a sufficient reason for our desiring peace in Europe. Nor do we like bloodshed or the political reaction and the backwash of barbarism that wars entail. Finally, however neutral we remain, there is always the possibility that we may be plunged into a great European conflict, in which in the beginning at least we shall have no direct interest.

Diplomatically also, war in Europe is of no overwhelming advantage to us. In the early days of the Republic, a constant balancing of hostile forces prevented England and France from taking advantage of our weakness. The quarrels of Europe enabled us to preserve our independence by opposing a unitary strength to the enfeebling European dualism; otherwise we might not have dared to use so shrill a tone in admonishing the great powers. But even had the eagle not screeched, we might still have led a satisfactory national existence. Whatever was true in the past, however, we need no longer be so completely defenceless that we must fear that peace in Europe would mean a conquest of America. We should rather have Europe fight itself than us, but — in dollars and cents as in other values — we should prefer to see the world at peace.

We shall not secure peace, however, by merely wishing for it or by merely preaching it. In the midst of war there has always been the longing for peace, and throughout the centuries voices have been raised calling upon mankind to give up its war upon itself. The ideal of peace

pervades much of all folklore; it inspires the Old Testament prophets and is everywhere expressed in the New Testament. The religious ideals of the Chinese, Hindus and Persians are suffused with the hope of peace, and Greek and Roman philosophers and poets dreamed of a peaceful commonwealth of peoples and planned the Federation of the World. The Early Church Fathers, Irenæus, Clement of Alexandria, Tertullian, Cyprian, Augustine, preached the gospel of peace, and while the Church doctrines later changed in this respect, there reappeared again and again during the Mediæval Period the conception of a World State, presided over by Emperor or Pope, and ending once for all the ceaseless strife among princes. After the Reformation religious sects grew up, like the Mennonites and the Quakers, who preached not only peace but non-resistance. Out of all this longing for peace, out of all these proposals, however, came nothing. Similarly the pacifist writings of the Abbé de St. Pierre, of Rousseau, of Leibnitz, of Montesquieu, of Voltaire, of Kant, of Jeremy Bentham and of hundreds of others did not bring the world a single step nearer to an elimination of war.<sup>1</sup>

Throughout this long history, pacifism failed because it was in no sense based upon the actual conditions of the world. It was a religious, sentimental, hortatory pacifism. Finding peace desirable, it pleaded with the men who ruled nations to compose their quarrels. It was an appeal not to the interest but to the sentiments of men. It discovered that war was evil and exhorted nations and rulers to refrain from evil.

With the period of enlightenment that began shortly before the French Revolution, the movement for peace was

<sup>1</sup> For a brief digest of the history of pacifism, see Dr. Edward Krehbiel, "Nationalism, War and Society," New York, 1916. See also books cited by him.

accelerated. The ideas that were once current only among philosophers began to spread among considerable sections of the population. Gradually also pacifism became rationalistic rather than religious or moral. War was attacked not because it was evil in the eyes of God but because, like high taxes, monopolies and tariffs, it was adverse to the economic interests of nations and peoples. The growth of the doctrine of *laissez-faire* and of free trade gave a new impetus to the pacifist movement. The people of the world were looked upon as a myriad of human atoms, whose welfare did not depend upon the power of the particular State of which they chanced to form a part, but upon the free enterprise of each and the unobstructed exchange of products among all these individuals. It was held that the world would be better if there were no customs barriers, and free trade on equal terms for all the people of the world was predicted as a proximate consummation. There would then be no need for wars or fleets or armies, which cost money and prevented the progress of humanity. Wars were economically inadvisable. They did not benefit the sovereign individual, and therefore could not benefit the nation, which was merely a huge assemblage of individuals.

Like the religious and emotional pacifism which preceded it, this rationalistic pacifism broke down through its sheer inapplicability to the facts of life. While the philosophers of the French Revolution were still proclaiming the advent of peace, the greatest wars until then in all history were already preparing, and again when in 1851 at the first World's Exposition in London men began to hope that the era of peace had at last come, a long period of war was again imminent. Never was there more talk of peace or hope of peace than in the years preceding the great conflict of 1914. No wonder many advocates and

prophets of war believe that peace is forever impossible. "There," wrote the late Prof. J. A. Cramb, "in its specious and glittering beauty the ideal of Pacificism remains; yet in the long march of humanity across thousands of years or thousands of centuries it remains still an ideal, lost in inaccessible distances, as when first it gleamed across the imagination."<sup>1</sup> "Despite this hubbub of talk down all the centuries war has continued — absolutely as if not a word had been said on one side or the other. Man's dreadful toll in blood has not yet all been paid. The human race bears still this burden. Declaimed against in the name of religion, in the name of humanity, in the name of profit-and-loss, war still goes on."<sup>2</sup>

But the fact that war still exists does not at all prove that it is inevitable, but merely that it has not yet been avoided. Militarists argue that war is biologically necessary, an ingrained ineradicable instinct, a necessary evil or an inescapable good, a gift of a stern god. There is a curious sentimental fatalism about our war prophets, but in the end their arguments come down to two, that we have always had wars and that we still have them. It was said many years ago that "the poor ye have always with you" and to-day poverty on an immense scale still exists in every part of the planet. Yet we do not despair of limiting or even of eradicating poverty. Tuberculosis has existed for centuries and still exists, but to-day we understand the disease and it is doomed. If war is inevitable it is so for reasons which have not yet been established. Until it is proved that war accompanies life and progress as the shadow accompanies the body, men will strive to eliminate war, however frequent and discouraging their failures.

The cause of these failures of pacifism has been its un-

<sup>1</sup> "England and Germany," p. 56.

<sup>2</sup> P. 58.

reality, its too confident approach to a difficult problem. Many pacifists have tended to exhort about war instead of studying it; they have looked upon it as a thing accursed and irrational, beyond the pale of serious consideration. They have likened the belief that war has accomplished good in the past to a faith in witchcraft and other superstitions. They have tilted at war, as the Mediæval Church tilted at usury, without stopping to consider what relation this war-process bore to the basic facts of social evolution. It was an error to consider war as a thing in itself instead of an effect of precedent causes. Fortunately the newer pacifists, who have been rendered cautious by many bitter disappointments, are changing their approach and seeking to cure war not directly but by removing its causes. They are striving to outflank war.

Along this line alone can progress be made. You cannot end war without changing the international polity which leads to war. The bloody conflicts between nations, being a symptom of a world maladjustment and frequently an attempt to cure that maladjustment, can be averted only by policies which provide some other cure. To destroy war one must find some alternative regulator or governor of societies.

In their failure to provide such a regulator, or even to recognise that such a regulator is necessary, lies the vital defect of many of the peace plans to-day. Pacifism may be either static or dynamic; it may seek to keep things as they are, to crystallise international society in its present forms, or on the other hand may base itself on the assumption that these forms will change. It may address itself to the problem of stopping the world as one stops a clock, of forbidding unequal growth of nations, of discountenancing change, or it may seek to find an outlet and expression for the discontent and unrest which all growth

brings. Pacifism that is static is doomed. Our only hope lies in a dynamic, evolutionary pacifism, based on a principle of the ever-changing adjustment of nations to an ever-changing environment.

At the bottom of static pacifism lies a conception somewhat as follows. The nations of the earth have an interest in maintaining peace, but are forced, tricked or lured into war by the tyranny or craft of princes and capitalists or by their own prejudices and sudden passions. Some nations are peaceful and some, by reason of an evil education, hostile; wherefore the hostile nations must be restrained by the peaceful, as the anti-social classes are restrained by the community. Honest differences of opinion among nations must be arbitrated; angry passions must be allowed to cool, and the nations must go about unarmed that there may be no indiscriminate shooting. Given these precautions we shall have peace.

But it is a peace without change, and such a peace, apart from its being impossible, is not even desirable. What the static pacifist does not perceive is that he is hopelessly conservative and stationary in a swiftly moving world. He would like to build a wall against Time and Change, to put down his stakes and bid evolution cease. It is this pathetic clinging to fixity, to a something immutable, that vitiates his proposals. Nations that hate war prefer it nevertheless to the preservation of unendurable conditions, and the best conditions, if they remain unaltered, speedily become unendurable. We should not be satisfied to-day with the best constitution of the world agreed upon a hundred years ago, before there were railroads and telegraphs, and when democracy and nationalism were weaker than to-day. If to-morrow morning our wisest and most forward-looking men were to re-constitute Society and petrify it in peace, our descendants would be far from content.

The best heritage that the world can have is not a perfect constitution but a feasible principle of change.

A dynamic pacifism, on the other hand, must assume that the world is in change, and that no peace is possible or desirable which does not permit great international transformations. These transformations arise from various causes. Thus a candid consideration of the facts of international life must convince us that in the present era nationality is a potent, vital and probably a growing force, and that many of the ambitions and desires of men are mobilised nationally. The nations, however, grow unequally and are subjected to unequal pressure by their various environments. As a consequence certain nations become increasingly dissatisfied with their place in the world, and naturally, and in the present circumstances wisely, prefer the risks and costs of war to their present position. Such nations have an interest in war, if change cannot be otherwise effected. Moreover, it is clear to the dynamic pacifist that certain classes by the fact of their position in society are more bellicose than others, that classes grow at unequal rates and exert a varying influence, and that certain classes may have a direct and obvious interest in throwing their nation into war.

The neglect of any such dynamic conception of world society is revealed in all the proposals of the static pacifists. For example, the proposal to create a United States of Europe is based on a palpably false analogy with the United States of America, and ignores grossly the living principle of nationality. The states of Europe are either nations or are approaching nationhood. They lack the racial, linguistic and traditional bonds, which made the union of the American colonies not indeed easy but at least possible. These trans-Atlantic nations suffer from being jostled one against the other and their keen sense of na-



tional difference is accentuated by economic pressure and by a perpetual fear of foreign military aggression. To unite all these nations into one federal state, with a Senate, a House of Representatives and an impartial Supreme Court, is not only a static but a mechanical proposal. Nations grow; they are not manufactured.

Equally static is the proposal for immediate and universal disarmament. Nations will arm so long as they are afraid and so long as they want something vital that can be obtained only by warfare. Moreover, there is no principle to determine the permitted armament of each nation or to designate the country which shall control the international police that is to enforce disarmament. An unequal disarmament would be unwise because it would take from the more pacific and civilised nations the weapons necessary to restrain unorganised and retrograde peoples. The fundamental defect of the proposal, however, is that it provides no way by which one nation, injured by another, can secure redress. If there is to be neither war nor an effective international regulation, what limits can a nation set to non-military aggression by its neighbour? <sup>1</sup>

The belief that all wars may be averted by arbitration is equally a static conception. During the last few decades international arbitration has settled many controversies, which could not be adjusted by ordinary diplomatic means. Increasingly cases have been submitted to arbitral decision.

<sup>1</sup> The proposal for disarmament also raises the question of the inner stability of each nation. In each country there must be some police force to keep down the anti-social classes and prevent revolution. Such a force might be small in England or the United States; it would have to be large and powerful in Russia and Austria, if the subject nations were to be held down. But a large police force is an army under a different name. If each disarmed nation were permitted to decide its own police needs, the whole principle of disarmament would be whittled away.

The real questions over which nations clash, however, are not arbitrable. One cannot arbitrate whether Russia or Germany should control the Balkans, whether the United States should admit Japanese immigrants, or whether Alsace should go to France or Germany, or Trieste to Italy or Austria. Arbitration has the limitations of judicial processes. It is possible to arbitrate questions concerning the interpretation of treaties and formal agreements or the application of recognised principles of international law, but no nation will arbitrate its right to exist. Moreover, the very fact that arbitration is a judicial process, based upon precedents and the assumption of the *status quo* renders it unacceptable to the nations which are dissatisfied with present arrangements. The necessity which knows no law respects no arbitration, and no board of arbitration, however impartial, could decide that one nation should have more colonies because she needed them or because she was growing, while another nation must stand aside because feeble and unprogressive. It is probably not in the interest of the world that Portugal and Belgium should retain their colonies in Africa, but on what precedent could these nations be forced to sell? Questions of vital interest therefore are in truth non-justiciable. No powerful nation will accept a subordinate position in the world because some arbitral body decides it may not adopt a certain policy. Arbitration is not a process of adjustment of growing nations to a changing environment.

But if nations will not gladly accept arbitration where supposedly vital interests are concerned, can they not be coerced? Out of the obvious need of such coercion arises a whole series of plans to force recalcitrant nations to accept mediation, to delay hostilities and even to abide by the arbitral award. A League to Enforce Peace is a proposed union of pacific nations to prevent immediate or even ul-

timate recourse to war, to force combatants to arbitrate justiciable disputes and to place the sanction of force behind the decisions of the nations.

This proposal contains within it an element valuable and indeed essential to international peace. It frankly assumes the right of a group of nations to compel a refractory nation by the use of force. It is far more realistic than the conception of a world peace based upon a sudden conversion of the nations to the iniquity of war, which is at bottom an anarchistic conception. For however we deplore a use of force we cannot rely exclusively upon anything less. Force is not intrinsically immoral, and without force no morality can prevail. The compulsion which the parent exercises over a child, and organised communities over the individual citizen, must equally form the basis of an international system. One cannot base such a system upon mere moral suasion, which, though of value as a precedent and complement to force, is frequently thwarted by the public opinion of each nation, formed within its borders and protected from outside influence by pride and a blinding national interest. Outside nations could not have persuaded Germany that it was unethical to invade Belgium. She would have appealed to her own moral sense and trusted to the future to make good her right to attack. Had Germany realised, however, that an invasion of Belgium would be actively resisted by otherwise neutral nations, overwhelming in force, she might have been willing to debate the question.

The immorality of force lies merely in improper use. All through history compulsion has been exerted for evil as well as for good purposes. The future of international concord lies, therefore, not in refraining from force or potential force, not in a purely *laissez-faire* policy, but in applying force to uphold a growing body of international

ethics, increasingly recognised by the public opinion of the world.

But a League of Peace, unless it is *more* than a league of peace, suffers from the same defect of not providing an alternative to war. If Italy is not to attack Austria, some way must be found to protect Italian interests in the Trentino and Trieste, and if Germany is not to attack England, some security must be given that German commerce will be safe and German colonial aspirations not entirely disregarded. If the nations believe, rightly or wrongly, that their vital interests are being disregarded in the peace which the League enforces, there will be defections and revolts. Such a league would then become useless or worse, since it can only exert an influence so long as it possesses an immense preponderance of power.

The same defect inheres in a League of Satisfied Powers. Such powers, preferring the *status quo* to any probable revision of the affairs of the world, are in the beginning united by a common conservative instinct. But no nation is completely satisfied; each wants a "rectification" here and a "compensation" there. The same disagreements over the spoils of the world that would be found outside such a league would also make their appearance within, and in the end one or more of the satiated nations would join the group of the unsatisfied, and the league would cease to be a guarantee of peace. It would die of the endless flux in human affairs.

Similarly static is the proposal that all nations wait, or be compelled to wait, a set term before beginning hostilities. In many cases such a compulsory postponement would be advantageous in that it would favour the mobilisation of the pacific elements in the community and thus tend to prevent wars being suddenly forced upon the nation against the national interest by a small, bellicose social class. The

underlying theory, however, is that nations always go to war because they are hot-headed, whereas in very many cases the decision to wage war at the proper time is perfectly deliberate and cold-blooded. Moreover, a compulsory wait before declaring war would alter the balance of power between the groups of powers, and would adversely affect certain ready nations, which could therefore only be coerced into accepting the arrangement. Unless some adequate provision were made (and it would be difficult, perhaps impossible, to make it) to prevent a nation from preparing for war during the year's wait, the countries with the largest resources, such as Great Britain, the United States and Russia, would secure an enormous advantage, while nations like Germany and Japan would lose. An event in the very recent past illustrates this point. On August 1, 1914 the German Secretary of State intimated to the British Ambassador that a failure on the part of Russia to demobilise would cause Germany to declare instant war. "Russia had said that her mobilisation did not necessarily imply war, and that she could perfectly well remain mobilised for months without making war. This was not the case with Germany. She had the speed and Russia had the numbers, and the safety of the German Empire forbade that Germany should allow Russia time to bring up masses of troops from all parts of her wide dominions."<sup>1</sup> In other words, for Germany to give up her greater speed of mobilisation would be to destroy her advantage while assuring that of Russia. Actually, under present circumstances, such a proposal would tend to preserve the *status quo* and to aid the satisfied nations. In practice it would take from the dissatisfied nations the power to alter arrangements, which they feel are unjust.

<sup>1</sup> British White Paper, No. 138.

Most of these plans, a federation of nations, a progressive disarmament, a wider application of the principle of arbitration, and a League to Enforce Peace, have elements of value, once they are divorced from purely static conceptions and are united with proposals to effect some form of progressive adjustment of nations to each other and to the world. In this effort at adjustment lies the real problem of securing international peace. So long as the nations have conflicting economic interests so wide and deep as to make their surrender perilous to the national future, so long will they find some way to escape from the restraints of peace. They will drive their armies through any compact or agreement, adverse to their economic interests, and in the process will smash whatever machinery has been created for establishing peace. A dynamic pacifism, therefore, must take into account this factor of the constantly changing, balancing, opposing economic needs of rival nations. It must devise not only some rudimentary form of international government but also arrangements by which the things for which the nations go to war may peacefully be distributed or utilized in a manner equitable to all.

## CHAPTER XVII

### TOWARDS INTERNATIONAL GOVERNMENT

THERE are three ways in which the United States might conceivably attempt to promote the international adjustments without which peace cannot be secured. We might seek to "go it alone," righting one wrong after another, intervening whenever and wherever our national conscience directed. Or we might enter into an alliance with one or a few selected democratic and enlightened nations to force international justice and comity upon other nations. Finally we might refrain from ubiquitous interventions and peace-propagating alliances and devote ourselves, in conjunction with all other willing nations, to the formulation of principles of international policy, and unite with those nations in the legalisation and enforcement of such principles. In other words we might become the standard about which the peaceful parties and groups of all nations might rally.

The first of these courses is quite impossible. It is grotesque to think of us, or of any country, as a knight-errant, rescuing nations forlorn from evil forsworn powers. There are two things, besides a saving sense of humour, which preclude us from essaying this rôle; we have not the knowledge and we have not the power.

For the making of peace more than good will is required. Nothing is more harmful in international intercourse than a certain sentimentalism and contempt for realities on the part of many of our pacifists.

The difficulty with most plans for intervention by one

moral and infallible power is that they attribute a pike-staff simplicity to international — as, in fact, to all questions. According to certain superlatively well-intentioned people, some nations are wicked and others virtuous; some nations love the clash of arms, some the ways of peace; some nations are greedy, brutal and dishonourable, others are generous, gentle and honourable. It is the absolute bad and the impossible good of the melodrama, in which the human sheep and goats are sundered by an obvious moral boundary line.

In point of fact, no nation is good or bad in this simple sense, but all have a certain justice in their claims, however difficult it is to square these claims with the moral philosophy of the neutral country. The British had a certain justice in their conflict with the Transvaal as had also the Dutch burghers who resisted them. Even in our brutal attack upon Mexico in 1846 we had the justification arising from our greater ability to use the conquered territory. It is easy to find phrases to be used whenever we wish to interfere, but these phrases sometimes conceal an ambiguous meaning and sometimes have no meaning at all. Are we, for instance, to become the defenders of small nationalities, ready to go to war whenever one is invaded? Has a small nation a right to hold its present territory when that right conflicts with the economic advance, let us say, of a whole continent? Should we respect Canada's right to keep New York, had that city originally been settled by Canadians? Should we compel Russia to treat her Poles and Jews fairly and concede to Russia the right to compel us to treat our Negroes fairly? Some extension of the right of interference in what are now called the internal affairs of other nations must be admitted, but it is a precipitous road to travel. The united powers may compel Roumania or Greece to be-



have, but the United States, acting alone, would find it irksome to have to constrain or discipline Russia.

By this it is not meant that we should never intervene. It would be futile to fix such a rule for conduct which, in the end, will be determined by circumstances. In any question of interference, however, the burden of proof should rest heavily upon the side which urges a nation to slay in order to secure what it believes to be the eternal principles of justice. The general development will be toward greater interference, but this intervention will be increasingly international, not national.

In actual practice the problem when to interfere is immensely difficult. It is easy to say "let America assume her responsibility for policing the world," but the question arises, "What in particular should we do and what leave undone?" Should we war against Germany because of Belgium, and against France and England because of Greece? Should we fight Japan to aid China? Are we to mete out justice even-handed to the Poles, Finns and Jews of Russia, the Czechs and Southern Slavs of Austria, the Armenians and Alsatians? Should we have interposed to save Persia from benevolent absorption by Russia and England? Clearly we could not do these things alone, and to attempt them would be to strike an impossibly virtuous attitude. Even if we had the wisdom or the sure instinct to save us from error, we should not have a fraction of the power necessary to make our benevolent intervention effective.

To right the wrongs of the world, to build up a firm international policy and thus to create and establish peace seems easier if it be attempted in alliance with two or three other virtuous powers. But if we unite with England, France and Russia, to maintain virtue in the world, may we not, at least hypothetically, be playing a fool's

part in a knave's game of diplomacy? May we not be simply undermining Germany and Austria? To use our army and navy for such purposes would constitute us a part of one great European combination against the other, and our disinterested assistance might be exploited for purposes with which we had no sympathy.

A proposal, at least potentially more popular, is the formation of an Anglo-American Union for the maintenance of peace. It is assumed that the two nations, and the five self-governing British colonies are kindred in blood, inspired by the same ideals and united by a common language. Their white population exceeds one hundred and fifty millions. They are capable, energetic, individualistic peoples, favourably situated on an immense area, and holding dominion over hundreds of millions in various parts of the world. These Britons, Colonials and Americans, by reason of geographical position, are naval rather than military, and if they could hold the sea, would be able to preserve peace in lands not accessible to military powers and to dictate peace even to the military nations. Such an integration of the English-speaking peoples would thus constitute a step towards international peace.

It is not here proposed to discuss the value of this proposal as a means of defending the United States. In general, its defensive value for us would probably be less in the coming decades than for Britain and her colonies. The British Empire has the greater number of enemies and is the more easily assailed. Great Britain cannot protect her colonies without maintaining her naval supremacy not alone in the North Sea, but in the Pacific as well. As for England, she occupies the same position towards us in any attack from the European continent that Belgium occupies towards England. She is an outpost. Our own continental territory could probably be protected in

most cases by a smaller military and naval effort than would be required of us as part-defenders of a British-American Union. It is true that these conditions might change, with the result that we should need Great Britain's help most urgently. For the time being, however, we are discussing a British-American alliance or federation not as a possible protection to us but as an instrument for eliminating war.

In all probability such an instrument would work badly, and to the non-Anglo-Saxon world would look much like a sword. For the fundamental defect of such a proposal lies in the fact that it is a plan for the coercion of other powers by a group of nations, not at all disinterested. If the British and Americans possessed eighty per cent. of the military and naval power of the world, they might establish a peace like that which the Roman Empire was able to establish. It would be a peace dictated by the strong. In fact, however, there would be no such superiority of power. Russia, Germany, Austria, Japan united, would be quite capable of exerting a far superior force. Even if the force opposed were only equal, the result would be a confrontation of peoples in all essential respects like the Balance of Power in Europe, but on a vaster scale. We should not have advanced an inch towards the goal of a world peace or a world economy.

For the United States to enter into such a federation would be to take our part in the world wars to come and the intrigues that precede and accompany such wars. We might be called upon to halt Russia's progress towards Suez, the Persian Gulf, or the Indian border. We might be obliged to defend Belgium, Holland, Denmark, Norway and Sweden. We could not permit any nation to reach a point where British commerce might be assailed. We should cease to be interested in

the freedom of the seas because sharing the dominion of the seas. We should have no leisure and no inclination to seek a more equal utilisation of the backward countries. We should need armies and navies to protect the approaches to England and to hold back the land nations. Against us would work immense potential forces. Strong, growing, ambitious populations, envying our arrogant sea-power and forced by their insecurity to remain militaristic and become navalistic would prepare unceasingly for the day when they could try conclusions with us. The Anglo-Saxon Federation may be an exhilarating conception, but it is not peace.

Parenthetically an agreement or understanding with Great Britain, less ambitious and pretentious than the proposed federation, is in the interest of the two nations. In the more than one hundred years of acrid peace between the two countries, there has been revealed a certain community of interest, which might properly be utilised to prevent future conflicts. While we are not ready to involve ourselves in Britain's European and imperialistic policies, and do not want a whole world in arms against us, we do wish to avoid misunderstandings with England. We should be better off were we to give Great Britain assurances that we would not contest her naval supremacy (however much we may strive to alter its nature), and if we were to obtain from England her unconditional support of the doctrine that the Latin-American countries are not to be colonised or conquered.

In our efforts to secure a basis of international peace, however, we must rely not upon England or any other single nation or group of nations but upon a league, into which all nations may enter upon identical terms. We must depend upon all-inclusive, not upon exclusive alliances.

At this point it may be well to recapitulate the difficulties and inevitable limitations of any such plan. In the first place nationality exists and cannot be exorcised. The several nations, though they have common interests, are also sundered in interest, and in present circumstances may gain more from a given war than they lose. No nation, because of a moral appeal, will surrender its vital interests, and each believes that its own ambitions are morally justified. To pursue these interests the nations arm, and this competitive armament breeds fear, which in turn provokes war. In various parts of the world broken nationalities seek to attain to national independence or autonomy and these nationalistic differences are exacerbated by economic quarrels. Moreover, within the nations certain sections or groups find their true economic interest in policies leading to war, and these groups are able by means of ceaseless propaganda to drive their nation into war-provoking policies. Finally we are faced with the grim fact that in Europe at least no great nation can pursue a consistent policy of peace unless other nations move simultaneously in the same direction. Furthermore the instinctive efforts of each nation to secure its own peace by force constitute a menace to other nations and a danger to the world's peace.

The outlook for peace is thus not cheering; "the war against war," to use William James's expression, "is going to be no holiday excursion or camping party."

Fortunately, however, there are certain factors making for peace, and upon these factors we are able to build. All over the world there is a peace sentiment, a vast, undisciplined, inchoate desire to discover ways and means by which this scourge of war may be lifted. It is not inherently impossible to organise this sentiment, crystallise it, direct it and make it effective. The task is essentially

similar to that of organising democracy, for wars increasingly are becoming national wars, in which success depends not upon princes but upon the willingness and enthusiasm of the great slow peoples. The millions who bear the chief burdens of war and derive only its lesser gains are in all countries moving towards self-expression and domination. It is in the end upon these masses, with their inherent prejudices and passions, and not upon diplomats and rulers that any project for peace must be based.

The appeal to these millions though it be couched in terms of morality and sentiment, must be an appeal to interest. What is necessary is to recognise the economic motives that drive such populations to war and to reverse those motives. It does not suffice to preach that wars are never in the interest of the people; the nations know otherwise. It is necessary rather to change conditions so that wars will in actual fact lose their economic value to nations. Peace must be made not only to appear but actually to be in the interest of the peoples of the world.

The popular horror of war, the growing sense of its immense costs, the slowly maturing sympathy between individual members of hostile nations form the substantial groundwork upon which an opposition to war *in general* is based. Added to these are the waning of the romanticism of war and the growth of a sense of its mechanical (rather than human) quality. The present war has immensely increased this opposition. It has disenchanted the world. In all countries millions of men now realise that wars must be fought not alone by adventurous youths, who do not put a high value upon life, but by husbands and fathers and middle-aged men, who are somewhat less susceptible to the glamorous appeal of battle. They are beginning to recognise that wars are not won by courage alone

but by numbers, by money, by intimidation, by intrigue, by mendacity and all manner of baseness. The lies spread broadcast throughout the world and the money spent by Germans and Allies to bribe Bulgarian patriots are quite as great factors in deciding the issue of the war as the valour of the *poilus* at Verdun. In a moral sense war has committed suicide.

This increasing comprehension of war's real nature and of war's new manifestations is leading the peoples to demand the right to decide for themselves when and how war is to be declared and to take part in negotiations which may lead up to war. The power to provoke wars is the last bulwark of autocracy; when the nation is in danger (and in present circumstances it is always in danger), democracy goes by the board. Let the Socialists and Liberals in all countries declaim as they will against armies, navies, imperialism, colonialism, and international friction, let Members of Parliament ask awkward questions in the House, the answer is always the same, "It is a matter of national safety. To reply to the question of the honourable gentleman is not in the public interest." Against this stone wall the efforts of organisations like the British "Union of Democratic Control" break ineffectually.

The Socialists have also failed, at least externally. Identifying the war-makers and imperialists with those classes to which they were already opposed in internal politics, the Socialists sought to make good their democratic antagonism to war. They opposed armies and proposed disarmament; they threatened national strikes in case aggressive wars were declared; they fought with a sure democratic instinct against every manifestation of militarism. In the crisis, however, they failed. They failed because their conception of war was too narrow,

arbitrary and doctrinaire. They perceived the upper class interest in war but failed to recognise, or rather obstinately ignored, the national interest. When at last the nation was threatened, the Socialists and peace-makers not only closed ranks with those who desired war, but even lent a willing ear to proposals of annexation (for purposes of national security) and agreed to other international arrangements likely to be the cause or at least the occasion of future wars.

The general will for peace we have with us already; what is to-day most necessary is the knowledge and insight which will direct this will to the attempted solution of the causes of war. Towards this knowledge the present war has contributed. Never before have so many men recognised the strength of the economic impulses driving nations into the conflict. The war, it is true, has intensified national hatreds by its wholesale breach of plighted agreements; it has increased terror and distrust; it has sown broadcast the seeds of future wars by a series of secret, but known, agreements, creating a new Europe even more unstable than was the Europe of 1914. On the other hand, it has forced men to open their eyes to the real facts of war, and to recognise that wars will continue until the motives for war are reversed, until conditions are created in which nations may realise their more moderate hopes of development without recourse to fighting.

It is upon this recognition, upon this guide to the blind passion for peace, that any league for peace must be based. Such a league can probably not be immediately constructed and permanently maintained. It depends upon the slow growth of an international mind, upon a willingness, not indeed to sacrifice national interests but to recognise that national interests may be made to conform with the larger interests of humanity. It means the



fulfilment not the destruction of nationality. It requires for its realisation the breaking of two chains, an inner chain which binds the nation to the will of a selfish minority class, an outer chain which binds its national interest to war.

How such a league will come about it is perhaps premature to discuss. In the immediate future we are likely to have not a true league of peace but rather a league of temporarily satisfied powers, seeking their group interest in the *status quo* and pursuing their common aims at the expense of excluded nations in much the same spirit in which a single nation now pursues its separate interest. Such a grouping of interested nations is likely to be only temporary, as dissensions will arise and new alignments be made comprising the nations formerly excluded. It is bound to break up when the *status quo* becomes intolerable to several of its members. On the other hand the spirit of such an organisation might not impossibly change. The league of satisfied nations might discover that it was to its real interest, or might be compelled by outer pressure, to make concessions to the excluded nations, and finally to admit them on certain terms. Such a development would be comparable to that by which autocracies have gradually become constitutional monarchies and republics.

But, however the League is formed, two things are essential to its continued existence. One is the acceptance of principles of international regulation, tending to reduce the incentive and increase the repugnance to war, in other words a measure of international agreement, secured either by an international body having legislative power, or in the beginning by a series of diplomatic arrangements as at present. The second essential is a machinery for enforcing agreements. Such machinery cannot be dis-

pensed with. Peace cannot come by international machinery alone; neither can it come without machinery.

Peace between nations, like peace within a nation, does not depend upon force alone. Unless the effective majority of the nations (or of the citizens) are reconciled to the system to be enforced, unless they desire peace, whether international or internal, the application of force will be impossible. On the other hand, peace is equally impossible without force. If no compulsion can be applied the smallest minority can throw the world into war.

Such a compulsion of one nation by others does not necessarily mean a bombardment of cities or the shedding of blood. The force to be applied may be economic instead of military. No nation to-day, above all, no great industrial nation, is socially and economically self-sufficient, but all depend upon constant intercourse with other nations. It is therefore true, as one writer says,<sup>1</sup> that "if all or most of these avenues of intercourse were stopped, it (the offending nation) would soon be reduced to worse straits than those which Germany is now experiencing. If all diplomatic intercourse were withdrawn; if the international postal and telegraphic systems were closed to a public law-breaker; if all inter-State railway trains stopped at his frontiers; if no foreign ships entered his ports, and ships carrying his flags were excluded from every foreign port; if all coaling stations were closed to him; if no acts of sale or purchase were permitted to him in the outside world — if such a political and commercial boycott were seriously threatened, what country could long stand out against it? Nay, the far less rigorous measure of a financial boycott, the closure of all foreign exchanges to members of the outlaw State, the prohibition of all quo-

<sup>1</sup> Hobson (John A.), "Towards International Government," New York (The Macmillan Co.), 1915, pp. 90, 91.

tations on foreign Stock Exchanges, and of all dealings in stocks and shares, all discounting and acceptances of trade bills, all loans for public or private purposes, and all payments of moneys due — such a withdrawal of financial intercourse, if thoroughly applied and persisted in, would be likely to bring to its senses the least scrupulous of States. Assuming that the members of the League included all or most of the important commercial and financial nations, and that they could be relied upon to press energetically all or even a few of these forms of boycott, could any country long resist such pressure? Would not the threat of it and the knowledge that it could be used form a potent restraint upon the law-breaker? Even the single weapon of a complete postal and telegraphic boycott would have enormous efficiency were it rigorously applied. Every section of the industrial and commercial community would bring organised pressure upon its government to withdraw from so intolerable a position and to return to its international allegiance.”

It cannot be assumed that the attempt to organise such a boycott would be invariably successful. Not all nations would be equally injured, for while a boycott of Italy or Greece would be fatal, the United States or Russia might survive such economic pressure. A boycott would not be easy to enforce. It would be necessary to secure a concert of opinion and action in states, which, however they may agree upon any particular question, have widely divergent interests in other matters. Different boycotting nations would be variously affected. A boycott of Germany, while it might injure the United States or Japan would almost certainly ruin Holland and Belgium. Even were these small countries to be partially reimbursed for their special losses, they might still hesitate. There would also remain the fear that some of the boycotting nations would

be detached through economic bribery, with the result that the boycott broken, the nations faithful to their agreements would suffer. Finally, if Holland joined in a boycott of Germany, she might within a few days be compelled to resist a German invasion. An economic boycott might easily lead to war.

This obvious connection between economic and military compulsion is often disregarded by men who dislike war but are willing to commit their nation to participation in economic compulsion. The two, however, are inseparable, though they may not be inseparable for each nation. The boycotting nations must be prepared to prevent reprisals, must be willing if necessary to fight. It is not, however, necessary for each nation upholding international law to contribute equally to this military compulsion. Certain nations might use their armies and fleets while others, more remote from the struggle, might merely continue to boycott.

It would not be possible, to enforce a decision against nations having a preponderance of military power, nor even against a group with a large, though not the preponderant share of military and economic resources. Germany, Austria and Russia combined could not be compelled. The essence of the problem, however, is not the creation of a state of war between coalitions almost equal in size, but the gradual adoption of a policy of peace by securing a unity of interest among so large a group of nations that this group would hold a clearly preponderant power over any other group. Just as peace within a state cannot be secured where the law-breakers are a majority, so international peace cannot be secured unless the preponderance of power is clearly on the side of peace.

Even with a majority of nations agreeing "in principle," the difficulties of actually creating a League of

Peace and International Polity would be great. To carry out such a plan, to work out modes of action which will conform to the world's evolving sense of the necessity for more stable international relations, requires an international machinery, concerning which nations and classes will disagree. Some channel, however, is necessary for the flow of the peace forces resident in the world. A machinery must be created which will approximate in some degree to that by which a nation, composed of conflicting classes and economic groups, manages to secure a degree of common interest and action among such groups. There must be an international executive, an international legislative body and some approach to an international court. That there are immense difficulties in the creation of such a machinery is obvious and admitted. That the machinery cannot work perfectly, that it may repeatedly break down; that it can be perfected only through trial and error, are facts, which though in themselves discouraging, need not lead to the abandonment of the effort. There is nothing inherently impossible in the gradual creation and elaboration of such machinery. The development of the future lies in that direction.<sup>1</sup>

Let the machinery be ever so perfect, however, it is useless unless principles are formulated which meet the requirements of the nations which are to be bound over to keep the peace. A league to enforce peace is a futility unless it is also a league to determine international polity. Peace cannot be negative, a mere abstention from war. It must be a dynamic process, an adjustment of the nations of the world to their international environment.

<sup>1</sup> It is not pertinent to this book to discuss in detail the plans which are being formed for the gradual evolution of such international machinery. For readers who desire a *précis* of such arrangements, the book of John A. Hobson, "Towards International Government," is recommended.

## CHAPTER XVIII

### THE FREEDOM OF THE SEAS

WE have seen that the problem of peace cannot be solved without at the same time avoiding the economic conflicts now sundering the nations. We have seen that these divisive interests which are real and vital, can be accommodated neither by the force of good will alone (although good will is essential), nor by an appeal to national unselfishness nor by proposals which merely mean the perpetuation of the *status quo*. We have also seen that in the last instance force, or at least the threat of force is necessary, that this force cannot be applied by the United States alone or by a group of two or three beneficent powers, but only by an all-inclusive league of nations, acting according to established rules and with a machinery previously elaborated. Only so can a programme of peace be made effective.

Such a programme will consist of three elements. The first is the freedom of the seas; the second is a joint imperialism; the third is the promotion of an economic internationalism.

The freedom of the seas is necessary because without it the other elements cannot be supplied. No division or joint use of colonies will promote peace unless each nation is assured of continuous access to such colonies. A promise of the products and the profits of the backward countries will not satisfy a nation if it believes that at the first outbreak of war it will be deprived not only of colonial but also of all commercial rights.

In recent decades the problem of the freedom of the seas has grown in significance as access to the oceans has become more important and the nations increasingly interdependent. To-day trans-oceanic colonies are worthless, commerce is insecure and a satisfactory economic life at home difficult without such access. In peace the vessels of all nations may travel anywhere, but in war a belligerent's merchant vessels may be seized and confiscated and her shores blockaded. She may even be deprived of the right to import goods through neighbouring neutral countries.

In the advocacy of the freedom of the seas the United States has taken a leading part, while England has pursued a policy of obstruction. In this respect England has been a menace to the world's peace. She has stood fairly consistently against a modernisation of naval law; has insisted on the right of capture of merchant vessels and the right to blockade, and in the present war has reverted, under grave provocation it is true, to the most rigorous maritime repression. It is by means of our influence on England that we can take the first step towards creating a better international system.

If we are to become friends with England, the price must be the freedom of the seas. It may seem incongruous to suggest as a condition of friendship that our friend weaken herself, but as will later be indicated such a surrender of rights by Great Britain might in the end redound to her security and greater strength. The reason is obvious. The insecurity of each nation is the weakness of all. So long as a nation is insecure it will arm. So long as one nation arms all must arm. Moreover, England is peculiarly vulnerable. The British Empire is threatened whenever any nation seeks an outlet to the sea. Nations will build navies against Great Britain so long as

without navies their commerce and colonies are threatened.

The case of the German-British conflict is in point. England lies on Germany's naval base. It is an unfortunate thing for Germany, and indeed for England, but it is a geographical fact and unalterable. For Germany this situation is tolerable so long as peace endures, but when war breaks out, all her commerce is stopped. The future of Germany depends upon her developing industrially to a point where she can no longer feed her population from her own farms. She needs, if not colonies, at least markets. She requires a foreign base for her industry and uninterrupted access to that foreign base both in war and peace. She can be throttled, strangled, starved under the present usages of sea war. The war may not be of her own making. In other words twenty or fifty years of commercial development may be swept away at a moment's notice in a war, declared, it may be, by England for purely commercial purposes.

To these apprehensions of the Germans, England may answer that in peace times German commerce is secure. But immunity in war as well as in peace is necessary. Therefore, the Germans do what other nations would do in like circumstances, take the matter into their own hands. They build a navy strong enough to make England hesitate to attack their merchant marine. It is an understandable attempt to protect what is an absolutely vital interest. But for Germany to build a navy capable of measuring arms with the British Navy is intolerable to Great Britain. It is useless for Germany to protest that she will not use her fleet aggressively. So long as she *can* use it aggressively, she is a menace to England's life. England must prevent Germany from build-



ing a navy equal in power, for if she is defeated at sea, her fate is sealed. Germany must be threatened on land by France and Russia or she will be able to devote her energies exclusively to her navy and thus out-build England. Given this situation, an Anglo-German war is inevitable.

Nor is the situation in the North Sea unique. Once this conflict of interest begins, it spreads everywhere. Germany may not have Morocco or Tripoli because with a foothold and a naval base on the Mediterranean, she could exert pressure there in order to change conditions elsewhere. Similarly the Pacific commerce of Russia is at the mercy of Japan; her Black Sea traffic at the mercy of Turkey, or whoever controls Turkey, her Baltic Sea traffic at the mercy of Germany, Denmark and England. No wonder Russia demands Constantinople, which will at least open the inner doors of the Black Sea. But if she gets Constantinople, she controls the whole Danube traffic of Austria, Hungary and Roumania, and she herself is menaced by British and French fleets at Malta, Gibraltar and Aden.

What is the probable, or at least possible, policy of Russia in such circumstances? Not immediately, not inopportunely, but in the right season? Clearly it is to build a navy which will secure her control of the Mediterranean and thus protect her outgoing trade from Odessa and Batum as well as her incoming trade. Although not pre-eminently a naval power, Russia must ultimately seek to accomplish what Germany tried to do—make it dangerous for England to menace her Mediterranean and Red Sea trade even in war times. But to secure naval supremacy in the Mediterranean means to threaten Egypt and India, thus breaking the neck of the

British Empire. Given the present unfreedom of the sea, therefore, Great Britain's vital interests oppose those of Russia as they now oppose those of Germany.

This is the meaning of the historic British policy of the right of capture at sea, the right of blockade, the right to use naval power to work injury to the trade of hostile countries and to prevent colonial expansion. The policy is a menace to the British Empire and to the independence of Great Britain herself. It stimulates other nations to outbuild Great Britain. And in the end that is at least a possible contingency. If a generation or two from now Russia and Germany should unite, Russia attacking in the Mediterranean and aiding Germany in the North Sea, the British Empire would be put to a severe test. There might be no way of saving Egypt and India or Holland and Denmark and these outposts gone, Great Britain might be menaced and attacked at leisure. If her navies were defeated she would starve. The rules of naval warfare, which Britain has so long upheld, would be turned against her.

It is thus to Great Britain's real interest to surrender this doctrine. In the present war it has been of value, but only because Germany and Austria were surrounded by powerful enemies, and all adjacent neutral powers with sea bases were small enough to be intimidated. The blockade of a nation is to-day of little value unless adjacent nations can also be blockaded. The railroad unites all land nations. If France had been neutral in this war, Germany could not have been blockaded, for a British threat to blockade France would have thrown her into the arms of Germany. Even if Italy had remained neutral, an effective blockade might have forced Italy into the war on the side of the Teutonic powers. England is using a weapon

which at the most means a serious loss to her enemies but which effectively turned against her would mean instant death.

There are certain powerful groups in England who are obstinately opposed to any revision of the sea law in favour of neutral and belligerent nations. They feel to-day, as Pitt felt in 1801, when the doctrine was advanced that a neutral flag might protect enemy's property. "Shall we," asked Pitt, "give up our maritime consequence and expose ourselves to scorn, to derision, and contempt? No man can deplore more than I do the loss of human blood — the calamities and distresses of war; but will you silently stand by and, acknowledging these monstrous and unheard-of principles of neutrality, insure your enemy against the effects of your hostility! . . . Whatever shape it assumes, it (this doctrine) is a violation of the rights of England, and imperiously calls upon Englishmen to resist it, even to the last shilling and the last drop of blood, rather than tamely submit to degrading consequences or weakly yield the rights of this country to shameful usurpation."<sup>1</sup> This doctrine, rather than accept which Pitt was willing that England should fight to the death, was quietly accepted by Great Britain in the Declaration of Paris (1856) and, half a century later (1909), the Declaration of London protected neutral rights even more strongly. But the spirit of Pitt is by no means dead. The Declaration of London failed of ratification in Parliament partly because of mere factional opposition and partly because of ancient pride in England's naval supremacy. It was held that Britain being the strongest naval power should uphold all naval rights

<sup>1</sup> Quoted by H. Sidebotham. "The Freedom of the Seas." "Towards a Lasting Settlement," by various authors; edited by Charles Roden Buxton, London, 1915, p. 66.

and all necessary naval aggressions both against belligerents and neutrals.

The argument advanced in support of this position is that so long as the enemy disregards international law in land warfare Britain has the right to disregard the laws of sea war. If Germany violates Belgium's neutrality, why should England surrender her power to put the maximum pressure upon her unscrupulous enemy?

This argument, however, begs the whole question, whether it is to Britain's real advantage that the naval law go back to what it was in the days of Pitt and Napoleon instead of being progressively liberalised. Britain is not only the greatest naval but overwhelmingly the greatest maritime nation in the world. She has something to gain and everything to lose from a reaction towards the unregulated sea-warfare of 1801 (and 1916); she has much to gain and little to lose from the establishment of a true freedom of the sea.

So long as England persists in a reactionary naval policy she will be menaced by every nation which feels itself menaced by her, and by every future development of naval warfare. The harshness of the British attitude in this matter of naval warfare leads to such brutal reprisals as that of the German submarine campaign against merchantmen. That campaign was not without its influence in laming the commercial activity of Great Britain; had the war broken out ten years later, with Germany better equipped with submarines, the result might have been far more serious. A future submarine war carried on by France against England might be disastrous to the island kingdom. Even the German campaign, hampered as it was by the fewness and remoteness of the German naval bases, might easily have had a crippling effect upon British industrial life but for the pressure brought to bear

upon Germany by the United States. In the long run England cannot have it both ways. She must either defend her commerce from submarines alone or else accept a revision of the naval law.

Fortunately there are men in Great Britain who accept this broader view. "One of the promises of victory," writes the Englishman, H. Sidebotham, "is that Great Britain will be able to review her whole naval policy in the light of the experience gained in the war. Sir Edward Grey has himself indicated that such a review may be appropriate in the negotiations for peace after victory has been won." <sup>1</sup>

Towards such a change in attitude the public opinion of the United States can largely contribute. While the majority of Americans side strongly with Britain and her allies, they make little distinction in their thought between a detested German militarism and a detested British navalism. Our traditional attitude is one of hostility to the pretensions of the mistress of the sea. "How many more instances do we need," writes Prof. J. W. Burgess, "to demonstrate to us that the system of Colonial Empire with the dominance of the seas, and the unlimited territorial expansion which it claims, is not compatible with the freedom and prosperity of the world? Can any American with half an eye fail to see that our greatest interest in the outcome of this war is that the seas shall become free and neutral, and that, shall they need policing, this shall become international; that the open door for trade and commerce shall take the place of colonial restrictions or preferences, or influences and shall, in times of peace, be the universal principle; that private property upon the high seas shall be inviolable; that trade between neutrals in time of war shall be entirely unre-

<sup>1</sup> H. Sidebotham, *op. cit.*, p. 63.

stricted, and that contraband of war shall have an international definition?"<sup>1</sup>

Even if England did not recognise her true national interest in a revision of the sea-law, we could not co-operate with her in any broad attempt to establish the conditions of peace in Europe without such a surrender on her part of rights which have become indefensible. It is not, of course, to be anticipated that a complete freedom of the sea will be immediately established, but unless the nations, not controlling the ocean, are given reasonable assurances of safety for their commerce and colonial development, each new war will merely lay the seeds of new wars.

To establish the freedom of the sea, five things are desirable:

(1) The abolition of the right of capture.

(2) The abolition of the commercial blockade. This would permit the blockading of a naval port or base, the exclusion or destruction of naval vessels, the searching of merchant vessels for absolute and conditional contraband, and the blockade of a city or port where the naval blockade was merely the completion of a land blockade, but it would give to all ordinary merchant vessels, either enemy or neutral, the same access to enemy ports that they enjoy in peace, without any further delay than is necessary for the prevention of non-neutral acts by merchantmen.

(3) The establishment of international prize courts and the submission of controversies to such courts.

(4) The internationalization of such straits as the Dardanelles, the Suez Canal, the Panama Canal, the Kiel Canal, the Straits of Gibraltar, as far as that can be achieved by international agreement.

<sup>1</sup> "The European War of 1914. Its Causes, Purposes and Probable Results," Chicago, 1915, p. 142.

(5) Establishment of an international naval convention and of an international body to enforce its decisions, to which international body all powers, naval and non-naval, should be admitted.

An Anglo-American agreement to enforce such a convention could be made the corner-stone of an international organisation, open to all nations. A naval force of neutral powers would enforce the freedom of the sea in the interest of England's enemies and in her own interest. With such an agreement in force much of the present naval rivalry would lose its meaning. If German commerce were safe in time of war, if she could not be blockaded and her ships captured, she would have a weaker interest in building against England. She might still desire a fleet to bombard enemy coasts or to invade England, but even without such a navy she would have a large measure of security. She might well prefer to forego some of her naval ambitions in order to secure British friendship. In any case even a naval disaster would not be so utterly crushing to England nor so great a hardship to Germany as under present conditions.

Naturally the value of such an arrangement would depend upon the belief of the nations in its faithful enforcement by all the signatory powers. International promises fall in value as wars come to be fought by powerful coalitions instead of by individual nations, each immensely weaker than the whole group of neutral powers. When all nations of the first rank become engaged actively or by sympathy, the truly neutral powers are too weak to exercise much influence. They cannot compel the belligerents even to live up to their acknowledged agreements. What in such cases is the value of a naval convention between England and Germany, which neither of the na-

tions believes that the other will observe in the day of trial?

The difficulty is a real one as the uncontrolled savagery and the unnumbered violations of international law during the present war amply prove. It is this doubt as to whether opposed groups will live up to their agreements, or whether neutral groups will enforce such agreements, that strikes at the root of international, as also of national cohesion. If we believe that our neighbors will not pay their personal property taxes, it is highly improbable that we will pay ours; a nation, which believes that its enemy will violate an agreement anticipates such action by violating the agreement first.<sup>1</sup> Yet without such international agreements no international concert is possible. Moreover the very condition, which made agreements so perishable during the present war (the number and strength of the belligerents and the weakness of the neutrals) is one which itself is likely to be remedied by agreements made in advance. If Germany, England, France, Italy and Russia have even a qualified sense of security concerning their over-sea possessions and their commerce, they will be less likely to enter into these hostile, world-embracing coalitions, which rob such agreements of so much of their value. Especially would this be true if certain terms of the agreement — such as the

<sup>1</sup> Some of the German defenders of the Belgian invasion claim that the Germans were convinced that had they not used Belgium as a base for military operations, England or France would have done so at the first convenient moment, though possibly with Belgium's consent (which, however, Belgium had no legal right to give). Whether or not this fear was justified, it is evident that violations and proposed violations of international law by one group of belligerents led to violations by the other, reprisals were answered by counter-reprisals, and grave breaches of international law by all belligerents were defended on the ground that the opponent would do, or had done, the same.



neutralisation of strategic water-ways — could be effected in peace times. In any case this evolving and increasing half-trust in agreements is one of the fragile instruments with which we must work. If, therefore, an international arrangement were made, or a series of compacts were formed between individual nations, by which, for example, a group of powers promised to attack any nation violating these naval agreements (even if it pleaded counter violations by the enemy) a basis of faith in the new arrangements would be laid.

There would remain, however, the question of colonies. So long as there is no principle by which the colonial opportunities of the world can be distributed, we shall have competitive nationalistic imperialism and the constant threat of war.

## CHAPTER XIX

### THE HIGHER IMPERIALISM

ONE of the greatest difficulties in the problem of working out an international colonial policy is our neglect of the immediate and overwhelming influence of colonies, as of other economic outlets, in the provocation of destructive wars. Until the nations recognize that wars are in the main wars of interest, fought for concrete things, and unless such things can be utilised with some regard to the desires of all nations involved, war cannot be avoided.

If these questions of interest were merely a matter of short division, of so much trade to be distributed, the problem, though difficult, would be easier of solution. But in many cases a single, indivisible prize must be awarded. There is only one Antwerp, one Trieste, one Constantinople, and there are many claimants. Is Russia to control the Yellow Sea or is Japan? Is the Persian Gulf to be British, Russian or German? Is the present division of colonial possessions to be maintained or is there to be a new distribution, from which some nations will gain and others lose? What is to decide what colonies shall belong to what nation or what share each nation shall have in the profits of exploitations? These and a hundred other questions indicate the wide range of complicated economic interests which to-day divide nations and illustrate the difficulty of establishing a basis of agreement.

Clearly we cannot solve the problem by permanently

maintaining the *status quo*. For the *status quo*, being based upon the relative power of nations in the past, does not conform to the power of the same nations to-day or to-morrow. Moreover, the maintenance of the *status quo* means the perpetuation of absurd anachronisms. It is undesirable as well as impossible. Nations are not static. You can no more assure exclusive economic advantages to a weak and unprogressive nation than you could have preserved the American continent to the aborigines.

Even if there were no single economic principle to apply, it would not follow that some approach to an economic equilibrium would be impossible. As law develops out of an endless chaos of human relations by means of decisions (based on temporary exigencies) until a rule of law is established, as the market-price grows out of the innumerable haggings of the market, so even without the aid of a fundamental principle, some *modus vivendi*, some approach to an economic concert, could be attained. Economically considered, war is an attempt to solve the problem of the utilisation of the world's resources. If the world's wealth and income can be so distributed among the world's inhabitants, grouped into nations, as to render those nations, not indeed satisfied, but sufficiently satisfied not to go to war, a basis for peace results, even though the arrangement is not ideal. If, however, the distribution is obviously at variance with the relative power and needs of the nations, then one nation or group seeks to overturn the arrangement by force.

To secure such a distribution requires the establishment of certain canons of international policy and modes of international procedure. The decision must in some degree conform to the median expectations of the powers. Back of any particular economic arrangement also, there

must be the force of tradition, a sense of security, a sense of justice. The redistribution must be such that the resulting motive to war will be weaker than the motive to peace.

But before we can even approach such a plan to prevent war by reducing the economic incentive, we must frankly recognise that in certain circumstances a nation may have a direct economic interest in war. To deny such an interest is not only fallacious but even dangerous. For if we believe that nations have no economic motive to war, when in truth they have, we are likely to neglect to do things necessary to reverse such motives. Our international task is to make arrangements which will cause nations to lose their interest in war. It is not that of trying to persuade nations that they have no such interest.

There is much ambiguity and incoherence in most discussions concerning the economic advantages of war. On the whole, while the world does not usually gain by war, but loses through the destruction of capital and through industrial deterioration, an individual nation may clearly gain. England gained from the Seven Years' War, the United States from the war with Mexico, Germany from the war of 1870, Japan from its war with China. By war nations may secure markets, access to raw materials, better opportunities for investment and a firm basis for industrial progress; they may cripple troublesome competitors; they may exact indemnities. Much that is accounted gain on this score may in the end prove to be loss, but it is false to state that there can be no profit at all.

The discussion whether or not a war is profitable often takes the superficial form of a comparison between the indemnity received and the money expended on the war. It is pointed out, for example, that in 1895 Japan received a larger sum from China than

had been spent on the war, while on the other hand it is emphasised that thereafter the military expenditures of Japan increased so rapidly that much more than this profit was spent. But the indemnity was the smallest part of Japan's gain and the military expenditures were made necessary, not by the Chinese War nor by the payment of the indemnity but by a concrete military policy, which was largely based on concrete economic needs. Either an expansion into Asia was necessary and in the end possible for Japan or it was not; if it was, the expenditure of a few hundred million dollars on the wars against China, Russia and Germany were a paying investment, irrespective of indemnities; if it was not the wars would have been a bad investment even had they shown a clear balance on the books.

The problem is not whether every war is advantageous to the victor but whether any war is of benefit. It is highly improbable that the war of 1914 will in the end pay most if any of the combatants, but if Germany by a victory as easy as that of 1870 could have secured from France an indemnity of four or five billion dollars and the cession of Northern Africa, it would surely have paid. A war between Germany and Holland, if the other powers held off, would be equally profitable to the stronger power. If a coalition of nations could defeat and blockade Great Britain, they could easily recoup themselves for any expenditures involved. It is true that they could not physically remove British railways and mines, but they could confiscate the navy, the merchant marine, a part of the foreign and colonial investments and a certain part of the profits of business within the kingdom. To assert that a nation can never gain at war is merely to state that nations never have conflicting interests, whereas in truth some nations are cramped economically by other nations,

and a large part of the wealth and income of most nations can be diverted by means of physical compulsion.

The problem of internationalism is therefore not solely to teach the nation its own interest but so to change the conditions that the nation's interest in war will disappear. The temptation to war can be overcome only by reversing the motives of the nation, either by making war no longer profitable, or by making the nation harmless. Within the nation the same problem exists with regard to classes. Either the bellicose class must be satisfied in some other way, must have its energies directed to some other task, or it must be made impotent.

The first problem, that of destroying the economic root of war, can be solved only by securing a community of interest among great nations, an economic internationalism. Not, of course, a complete community; there is perhaps no such thing in the world. The inter-class relations within a nation illustrate this point. These social classes, wage-earners and capitalists, industrialists and agriculturalists, are separated by many differences and have no complete community of interest, yet are sufficiently united to prevent a complete dissolution of the state. So, internationally, a community of interest may be partial and tentative if it suffices to give the countries enough, or the promise of enough, to discourage them from easily resorting to the costly and dangerous expedient of war.

In securing this concert, we must work upon the general principle that wherever possible, a joint use of a given resource by various nations is better than an exclusive use by any one nation. The progress of society within the last few centuries has been toward an extension of this principle of joint use. More and more things are held by society for the benefit of the nation. Sim-

ilarly an increasing number of the things for which nations compete might be held by the nations of the world for the joint use of humanity. While such a joint use is not always possible, especially when it runs counter to long usage, an immense opportunity for such joint use remains.

This principle of joint use might advantageously be applied to the development of backward countries. Nothing has been more difficult than the distribution among industrial nations of the advantages accruing from colonial exploitation. There are three methods by which nations, if they can agree at all, may seek to adjust their rival claims. The first is to do nothing nationally; to permit the backward countries to be exploited at will by individual competitors. The second is to divide the new territories among the rival powers. The third is to secure a joint development by all the great powers.

The first method usually means both a ruthless exploitation of natives and a constant conflict among the interested nations. The nationals of one country conspire against those of another for a control of the native government. If, for example, we were to leave the Philippines entirely alone, various enterprising capitalists would immediately organise and support corrupt native governments, lend money at usurious rates and secure exclusive concessions. To upset these arrangements, financiers of a rival nation would foment revolutions, and the country would be split up into political factions, supported by money from various European capitals. The political leaders though talking grandiloquently of independence and native sovereignty, would be, and perhaps would know that they were, merely pawns in a financial chess game.

The second method, now more or less usual, of estab-

lishing national spheres of influence, also leads to friction and the threat of force. The crucial difficulty of this plan lies in the fact that great nations which have come late into the colonial competition are left without a sufficient agricultural base for their industry and live in fear of having the colonies of rival powers shut against them. The whole plan is based upon the assumed right of each nation to monopolise the resources of colonies, in other words, to use exclusively what might be used jointly. As a result of this method the temptation to go to war over colonies is immensely great. If by a single war, Germany could secure enough colonial territory from France to maintain her industry for three or four generations, it might well be worth her while to fight. It is the lives of one or of two million men to-day against tens of millions of lives a generation hence. A nation which would not fight for a somewhat larger share in the exploitation of a given colony would be tempted to fight for a sole and monopolistic possession.

The third plan of distribution is what may be called the internationalisation of colonies. It is a step in the direction of an international imperialism, as opposed to the nationalistic imperialism of to-day. There have been numerous proposals to secure a machinery for such internationalism in colonies. Especially during the last decade or two many men in Europe and America have come to the conclusion that the danger of the present international scramble for colonies is so great that any change, even though not in itself unassailable, is better than the present anarchy. Even among Socialists the belief is now expressed that the colonial problem is to be solved, not by leaving it alone, but by a concerted action of the Great Powers, which will give each nation the assurance of a



certain stake in colonial development, and will lessen the temptation to wage imperialistic wars.

Of the various recent plans two concrete proposals are worth citing. Thus Mr. Walter Lippmann<sup>1</sup> suggests a permanent international conference of the great powers which would act as a senate to the native legislative body of the backward country, let us say Morocco, and would in time supervise the budget, fix salaries and make appointments. It is hoped by Mr. Lippmann, though not confidently predicted, that such a body would guarantee the open door and give equal opportunities to the investors of all nations in the particular colony. A broader plan, proposed by Mr. H. W. Brailsford<sup>2</sup> involves the union into a permanent international syndicate of all companies and individuals seeking railroad, mining and other concessions in a backward country.

Fundamentally the plan of Mr. Brailsford is based on the open door for colonial trade and the equal (and automatic) participation of the great nations in colonial investment. "The remedy," he says, "is so simple that only a very clever man could sophisticate himself into missing it, and it is as old as Cobden. It is not necessary to establish universal free trade to stop the rivalry to monopolise colonial markets; it would suffice to declare free trade in the colonies, or even in those which are not self-governing." "It ought not to be utterly beyond the statesmanship of Europe to decree some limited form of colonial free trade by general agreement — to apply it, for example, to Africa." "For the plague of concession-hunting the best expedient would probably be to impose on all the competing national groups in each area the duty of amalgamat-

<sup>1</sup> "The Stakes of Diplomacy," New York, 1916, pp. 132-135.

<sup>2</sup> *The New Republic*, May 8, 1915.

ing in a permanently international syndicate. If one such syndicate controlled all the railways and another all the mines of China and Turkey, a vast cause of national rivalry would be removed. The interests of China and Turkey might be secured by interposing a disinterested council or arbitrator between them and the syndicate to adjust their respective interests. Short of creating a world State or a European federation, the chief constructive work for peace is to establish colonial free trade and internationalise the export of capital.”<sup>1</sup>

Both the plans mentioned are limited in scope and difficult of application, but each contains the germ of a possible development. That of Mr. Brailsford seems on the whole the more promising. It is likely that a senate such as is proposed by Mr. Lippmann would go to pieces over the question whether a certain valuable and exclusive concession should go to a French or to a German syndicate or whether a punitive expedition should or should not be sent against the tribes in the interior. On the other hand the plan of Mr. Brailsford, which by no means excludes the other, has the advantage of making once and for all a fixed and certain distribution of all eventual profits and thus effecting a real community of interest among the promoters and investors of all nations. It is an economic rather than a political solution, and it is along the line of a present trend, the evolution of international investment and of economic internationalism generally. It would seem easier for the capitalists of six great nations to form a great international trust for specific purposes than for an international senate to make a multitude of decisions each affecting strong national interests.

A difficulty, inhering in all plans, is that there is no rule of law or morals that will decide how much each na-

<sup>1</sup> The *New Republic*, May 8th, 1915.

tion should secure from the profits of exploitation. To what extent shall American, Dutch, Belgian, Austrian or Japanese capitalists contribute to the international syndicate which is to exploit the backward countries? But this problem, though difficult, is less hopeless than that of equitably distributing colonies *en bloc*. For there is no principle on which to divide such colonies. Neither national wealth nor population nor the strength of the national army and navy will serve as a criterion, though all perhaps would be factors in determining the shares of the different countries. A still greater difficulty however arises from the fact that the most valuable colonies are already distributed. Even if Germany were to receive a share in Moroccan opportunities, might she not still seek by war to obtain the exclusive possession of the immense French colonial empire. Perhaps no arrangement for a joint exploitation of new and presumably less valuable colonies would wholly satisfy the imperialists of great European powers, so long as the old colonies are so unevenly divided. To satisfy the nations without colonies, some arrangements must also be made for a redistribution of rights in colonies already belonging to the great powers.

But against such redistribution immense forces are opposed. Algeria is now safely French; India has been British for more than a century and a half. Whatever rights are conceded in these countries to foreign investors, whatever division of profits is granted, will be effected only under the political control of the French and British governments. The best concessions have long since been given out, and the nation which has had political control has in the main favoured its own nationals.

The essential problem here, however, is the open door. If the nations without colonies or sufficient agricultural resources at home can sell their products and buy their

raw materials on the same terms as do the nations owning colonies, a large part of the present bitterness and discontent would disappear. There are of course two difficulties in the way of the establishment of such an open door. The first is that commerce may be legally free and yet be hampered by a mass of local, illegal discriminations, and the second is that the trend at the present time is opposed to such equality in colonial commerce. The first difficulty is not unsolvable; the second constitutes an obstacle, which will only be removed when the forces making for an internationalisation of colonies become stronger than they are to-day.

Even a settlement of the colonial problem would not solve all the economic questions dividing the nations; equally perplexing difficulties are found nearer home. A generation or two from now Germany might be completely ruined by a refusal on France's part to grant her access to the iron mines of Lorraine. At any moment Russia may prohibit the temporary emigration of agricultural laborers upon whom the prosperity of the East Prussian agriculture largely depends. Italy, Switzerland, Belgium, Holland and other countries can be ruined by adverse tariff legislation. In very few countries is there such a balanced economic structure, such a complete control over the essentials of industry as to render an economic assault by other nations innocuous.

It is not essential, however, in working out an economic concert that all the problems that separate the nations be completely and finally settled. Given a satisfactory solution of the chief difficulties, some way will be sought to prevent secondary problems from leading nations to war. A single instance of a joint successful enterprise of the powers in a single economic field would act as a powerful inducement to attempt joint action in other

cases. It is not to be assumed that all the questions dividing Europe are to be solved in a day or by a single decision. What is required is not one plan which will safeguard all the nations all the time but an inclination or desire to afford a measure of economic security to all and a gradual working out of a machinery, which will effect a settlement here and a settlement there and will in the end develop certain general lines of policy. It is not for a single economic setback that nations go to war, nor even because of a slower development than that of rivals; the chief animus is an ever present fear of industrial *débacle*. Economic insecurity, even more than present economic distress, forces nations to resort to arms. The way out is towards some form of internationalisation of the great external opportunities upon which the home industry of the nation depends.

Is such a development probable? Will the nations in this generation or in five generations agree to make sacrifices to permit their rivals to live? It is a question not lightly to be answered. We cannot be dogmatic concerning the future development of industry and of international relations when we cannot see clearly a dozen years ahead. Yet the very intensity, the almost pathological intensity, of the nationalistic economic struggle to-day is an indication that it may be approaching a change. In the midst of this struggle, there appears below the surface the signs of a growing economic internationalism.

## CHAPTER XX

### THE FORCES OF INTERNATIONALISM

AN internationalism, which will bind the nations together into one economic unit, can be secured only as a result of a further political and economic development, limiting the power and autonomy of the several nations. Without pressure, external or internal, no union or agreement among the nations can be expected. The thirteen American colonies would not have been willing to live together had they been able to live separately, and, similarly, to-day the great powers would make no concessions to internationalism were it safe and profitable to retain a complete liberty of action. But no such plenary independence is longer possible. Forces are at work which circumscribe national autonomy and compel each nation to act with reference to the will of others.

In the case of small nations this tendency is manifest. Belgium before 1914 was a neutralised state, a ward of Europe. It had surrendered its right to declare war or form alliances. Switzerland, Denmark, Norway and Sweden, while preserving their technical liberty, were by their weakness precluded from entering upon policies disapproved by stronger nations. Even the six Great Powers were forced to pool issues. Austria dared not carry out a programme which Germany opposed, nor could Russia or France act without the other's acquiescence. Group policies were substituted for purely nationalistic aims.

Economically a similar interdependence is being created. No nation is wholly self-sufficing. Italy must import coal and iron, Germany cotton, wool, leather and fodder. France requires Germany's coal and Germany the iron of France. A safe access to these markets and sources of raw material can only be assured by alliance with other powers.

The economic dependence of one nation, moreover, influences the policies of its neighbours. The stress of a country suffering from industrial disequilibrium is transmitted to other nations. If, when Germany has exhausted her iron ore, she is prevented from obtaining a supply, let us say from French Lorraine, she will be faced with the alternative of dismantling her works in Westphalia and Silesia or of forcing France to sell ore to her. Germany's stringency will thus vitally affect France's international policy. Equally, if Russia or Austria cannot obtain what it needs from abroad, the nations which close the gates are endangered. Caution alone must prevent a nation from allowing its neighbour to risk starvation. However ill-founded in precedent, the right to secure what it imperatively needs is a right that every people will fight for.

From this political and economic interdependence among nations potentially hostile, there results a vague community of interest in peace. This common interest is strongly reinforced by the staggering costs of modern war. The present conflict is teaching us that Europe cannot continue to live and fight, since more than what it fights for is lost in the fighting. On the other hand it cannot stop fighting until it evolves principles of settlement based on the economic security of the vanquished. What the industrial powers will gain from this conflict is but an insignificant part of its cost. Compared with the billions

of dollars which France has spent upon this war, how insignificant are the few tens of millions that she may have gained from a monopolistic administration of her colonies! How little would the open door have cost the successful colonial nations as compared with the losses of this war! Not that colonial administration was the only or the main cause of the conflict; other factors contributed, such as the megalomania of the Pan-Germans. It seems probable, however, that Pan-German fanaticism was rendered infectious only by the fear that Germany was to be economically encircled and undermined. This fear may well outlast the war. A German defeat, however crushing, will not solve the peace problem, for defeat without security means militarism and reaction in Germany, which in turn means militarism and reaction in Europe. The special advantages which the nations, possessing colonies, may in the future secure will be dearly bought at the expense of new wars, as costly and decivilising as that under which we now live.

This is the chief sanction of internationalism, the price which is exacted from both beneficiaries and victims of a narrow nationalistic policy. Whether a liberal internationalism would not pay better, even on the plane of dollars and cents, is a question that admits of but one rational answer.

At this moment<sup>1</sup> there is small likelihood that that rational answer will be given. Fighting inhibits thinking, and in the allied countries the belief is held that Germany provoked the war through mere wantonness and not because of economic pressure, and that security can come only by ending Prussian militarism. In Germany there is an analogous conception of her opponents.

The theory that the war was merely wanton has the

<sup>1</sup> November, 1916.



merit of simplicity, but like other simple interpretations, it does not cover the facts. There were in Germany certain current ideas concerning racial dominion, the natural mission of the German and the absolute supremacy and moral self-sufficiency of the State, which intensified the war spirit. The Pan-Germans harangued in press and on platform to a people intoxicated by former military and economic triumphs and rendered susceptible by army discipline to martial intoxication. Had it not been for a real sense of insecurity, however, peaceable Germans would have been less receptive to such martial ideas. For a generation after 1870 Germany, though armed, had been pacific because secure; her economic centre of gravity lay within. It was not until her national interests extended beyond her boundaries that this sense of insecurity arose. Pan-Germanism was the intellectual and emotional expression of an economic *malaise*.

To boycott Germany after the war will neither decrease her anxiety nor improve the prospects of peace in Europe. Such a "war after the war," as it is now proposed, is a flat denial of the economic interdependence of nations. Its obvious result would be to intensify, rather than moderate, the industrial competition. Driven from the markets of the allies, Germany would be forced to dump her goods into all neutral countries (at the expense of the trade of the boycotting nations), as well as to form a counter economic alliance and if possible a military coalition. A permanent economic injury to the Central Powers would at the first convenient moment provoke military retaliation. And, parenthetically, a nation like Germany, with its growing population and resources, cannot remain crushed. Even if too weak to make headway against a powerful group of nations, it will always be strong enough to act as a make-weight between two opposed coalitions.

Thus if England and Russia, no longer united by a common peril, were to clash in the Mediterranean or in Persia, the presence of an economically threatened and therefore bellicose Germany would tend to precipitate hostilities. If a boycotted Germany by an economic or military alliance could detach one or more of her present enemies, the international situation created would be as dangerous as that of 1914.<sup>1</sup>

The argument that economic insecurity does not tend toward war is thus seen to halt on all fours. There is, however, a stronger or at least a more obvious argument against the promotion of economic internationalism. It is the claim that wars are caused by nationalistic strife. If the incessant struggle between nationalities cannot be appeased but must lead again and again to world-wide wars, then it is futile to seek to avert war by the creation of an economic internationalism. No agreement among the great nations about trade or colonies will avail so long as Poles, Bulgars and Southern Slavs can throw the world into war to fulfil their nationalistic aspirations. Until this nationalistic problem is solved no sure advance towards a permanent peace is possible.

Undoubtedly the struggle of subject nationalities to be

<sup>1</sup> The proposal to boycott Germany after the war is sometimes based upon weirdly moral rather than economic considerations. "Is it possible," writes one C. R. Enoch, "that trade relations with the nation that has outraged every tenet of international and moral decency, every consideration of humanity, and has committed unspeakable atrocities, as has Germany in her conduct of the war, can be taken up again at the point where they were broken off? . . . There is only one procedure compatible with honour and justice — namely, that no ordinary commercial dealings should be carried out with Germany until the *generation of Teutons that did these things has passed away*, unless absolute penitence and reparation — if reparation be possible — is done therefor." "Can We Set the World in Order." London, 1916, p. 197. (My italics.)

free, and of independent nations to annex their kin, has been a fruitful source of strife during the last century. The sense of nationality has been intensified by the nation's mobilisation of the economic interests of its citizens; it has become almost pathological as a result of petty nationalistic fragments competing for separate existence. Bulgarians, Greeks and Serbians want the same tract in Macedonia; Roumanians, Italians and Serbs wish to redeem their subject brethren in the Austro-Hungarian Empire; France seeks to rescue the Francophile though German-speaking Alsatians and Lothringians, and Germany would gladly welcome the Dutch and Flemings back to their putative German allegiance. There is no limit to these nationalistic claims; no room for arbitration; no fixed principle to determine to which nation each group shall be awarded. The result, quite apart from any action among the Great Powers, seems war — inevitable and endless.<sup>1</sup>

<sup>1</sup> The granting of permission to the people of the disputed district to decide their own allegiance is a good general principle, but, unfortunately, does not carry us far. The main difficulty lies in determining what shall be the unit of territory and population which is to decide. If Ireland votes as a unit, all Ireland will have home rule; if each county is to have the right of self direction, Ulster will be detached from the rest of the island. If Alsace-Lorraine votes to become French, whole districts, which will have voted to remain German, will be dissatisfied. Moreover, in the latter case, should all the residents of the two provinces be permitted to vote or only those people and their descendants who were living there in 1870? If the first plan is adopted a premium is placed upon the policy of legally dispossessing the inhabitants of a conquered land and filling their places with loyal *immigrés*; if the latter is chosen, the principle of the right of a population to determine its allegiance is abandoned. Finally, if the decision of the population of the disputed district were adverse to the interests of Europe as a whole, it would be irrational to validate such a result. The interests of Europe are superior to those of any nation, however powerful, and vastly superior to those of a Luxemburg, Ulster or Alsace-Lorraine.

It is impossible to withhold one's admiration for the inspiring fight which oppressed peoples all over the world are making for their independence. We thrill over the old story of the Grecian revolt against Turkey, of the great *risorgimento* of Italy, of the long slow struggle of Germany to achieve statehood. The century since the Vienna Congress has marked an almost uninterrupted victory for the principle of nationality. Yet though we sympathise with the aspirations of Poles, Finns, Armenians and Bohemians, an unlimited independence cannot always be desired. Nationalities are not sundered geographically, but men of diverse stocks and traditions are interspersed, as though a malign power had wished to make concord forever impossible. Ireland cannot secure autonomy, to say nothing of independence of Great Britain, without encountering Ulster's demand to be independent of Ireland. Similarly a Great Roumania, a Greater Serbia, a Poland, an independent Bohemia can be secured only by denying the equal rights of lesser racial groups. To-day Hungarians misrule the Roumanians of Transylvania; to-morrow a Greater Roumania may misrule the Transylvania Hungarians. The principle of the independence of nationalities collides with itself.

It also collides with overwhelming economic facts. Racially Trieste is semi-Italian, but if Italy acquires the city (and includes it in her customs union), a vast Austrian and German *hinterland* is deprived of a necessary commercial outlet. Italy can hold the East Adriatic only by smothering Serbia. Moreover many of these foetal nationalities are too weak and geographically too insecure for independent political existence. What reality would attach to an independent Bohemia held in a vice between two hostile German neighbours, and with a German population in its own territory? Even in peace the

Teutonic powers could gently strangle the new nation by means of discriminating tariffs.

Finally many of the claims for nationalistic expansion are inspired by a motive quite different from what appears on the surface. What the nation usually wants is not merely its own unredeemed brethren, but more territory and people. Its unredeemed brethren are the easiest to take. But while Roumania demands sovereignty over the Roumanians of Transylvania, she will not let the Bulgarians of the Dobrudja go. In the one case she upholds the sacred principle of nationality; in the other she discards that principle for the sake of a strategic frontier. Serbians and Greeks ask not only for the right to recover their ancient territory but also for the right to rule over Bulgarians and Turks. What they really desire is access to the sea, ample resources for an adequate population, and the national power, without which an independent existence is an illusion.

It is too late to dream of a really independent existence for each pigmy nationality, strewn about in Eastern Europe. In the absence of a Balkan Confederation, Servia, Roumania, Bulgaria, Montenegro and Greece may preserve their separate sovereignties, though only if they submit to the "advice" of greater nations, as Portugal submits to Britain. But for such nations to have conflicting nationalistic aspirations, to wage bloody wars for larger territory and more subjects, is a ridiculous and a tragic situation. Servia, dreaming of the restoration of the empire of Tsar Stephen Dushan, whose armies marched to the walls of Constantinople, Greece aspiring to the Empire of the East, are a menace to the peace of the world. It is doubtful whether all of these ambitious nationalities can even preserve their separate national existence. If the welfare of Europe conflicts with the inde-

pendence of a Montenegro or a Bohemia, some lesser form of self-government must be discovered.

That lesser form of self-government might be sought in a local autonomy under a federal government. It is not improbable that the political development, of south-eastern Europe for example, will tend towards group organisations based on the co-operation of diverse nationalities and stocks somewhat on the Swiss model. If the political question could be divorced from the question of the economic exploitation of these small nations, and if each nationalistic group were permitted to retain its language, traditions and *Kultur*, the result might be better than a mere *morcellement* of south-eastern Europe, with petty nationalities fighting the battles of their big backers. In such a larger Switzerland, each group might be represented in proportion to its numbers, and the worst evils of the present racial contests be avoided.

The important question in the present connection, however, is not what the particular solution is to be, but whether any solution is possible. It need not be a perfect but only a permanent settlement. Such a settlement presupposes a concert among the Great Powers, an agreement concerning their own problems. Given such an agreement, however, the Powers could in time work out a Balkan arrangement, which neither Servia nor Bulgaria, Roumania nor Greece would dare resist. In the end, if the arrangement were definite, practicable, in reasonable conformity with nationalistic lines, and with a strong and certain sanction, the small nations would become resigned. To-day they have boundless ambitions because the division among the Great Powers gives them a chance of realising ambitions, and what ambitions they have not to start with, Austria or Russia will lend to them on short notice. In this sense and to this extent, the

nationalistic problem in its worst form is an appendage to the vast struggle between the powers, and it may cease to be provocative of great wars once a basis of agreement is established among these larger nations.

With the best will such a basis of international agreement among the Great Powers cannot be established in a few years. It requires a gradual development, a progressive give and take, a continuous widening of the principle of joint use. An international convention, altering the rules of maritime warfare, would be a long step in this direction; a congress of the nations for opening up the trade of colonies (like our international postal conventions) would be another step. The internationalisation of Panama, Kiel, Gibraltar, Constantinople, would immensely enhance security, and advance the progress of internationalisation. So also an economic convention between France and Germany, or between Germany and Russia, in which reciprocal industrial advantages were accorded. Such specific arrangements, which permit of international interpretation and enforcement, would help to bring about a larger economic internationalism.

But for the real foundations of peace we must look far below the level of all these diplomatic and political arrangements, in the world industry itself. To-day we are still in the full momentum of an economic development that makes for war, but we are also at the beginning of an economic trend towards peace. In the present world-economy the nation is the unit and international friction the rule, but the movement, at what rate we do not know, tends towards a world business in which the unit will be international and there will be peace between partners. We are already in the first beginnings of the internationalism of capital.

This development is in part the cause of a general phe-

nomenon, the growth of an internationalism of class. Each social group seeks to establish relations with similar groups across the border, for the protection of interests that traverse national boundaries. Thus we have a certain internationalism of the wage-earning class, of finance, of various scientific groups. The possibility of this internationalism grows with the integration of the world through commerce, industry, communication and the spread of knowledge.

The most obviously international of social groups is the proletariat. Though sundered on the question of immigration, though (in some countries) nationalistic and even militaristic in spirit, the wage-earners on the whole have less to gain from imperialism and national aggression than have wealthier classes, while they share disproportionately in the burdens that war entails. On the other hand workers have less influence in the making of diplomatic decisions than do their employers. In the end, moreover, their decision, like that of the capitalist class, is chiefly determined by economic forces largely beyond their control. It is the nascent internationalism of capital, not of capitalists or of wage-earners, that is the supreme element making for peace.

We must beware, however, of welcoming all foreign investment as a portent of a growing internationalism of capital. Much that is accounted economic internationalism is in truth merely an extended nationalism, an extra-nationalism. For investments to allay international discord they should create a community of interest between nations potentially hostile. If Britain invested freely in Germany and Germany in Britain there would be created a mutuality of interest which would render peace probable. Each nation would have a stake in the prosperity of the other; each would have given hostages to peace.



But when the London financier puts his money in India, Canada or the Argentine, he is not co-operating but competing with potentially hostile nations. The process is an extension of the national economy to outlying districts, a transition to a larger national unit, like that created in the Middle Ages when the free cities ruled adjoining farm territory. Such an economic extension exacerbates national antagonisms and leads to war.

While foreign investment is preponderatingly of this sort, however, there also exist the beginnings of a movement more truly international. The securities of one nation are dealt with upon the stock exchanges of another, capital flows across national borders and great international business concerns are created. The movement in favourable circumstances is likely to accelerate, either by the mutual economic interpenetration of nations, as when the French build factories in Germany or the Germans in France, or by the amalgamation of the capitals of two countries and their use in joint enterprises. The formation of large international syndicates for the exploitation of backward countries, whatever its other consequences, tends towards the creation of a community of interest. If the powers unite, for example, and can agree upon a Chinese loan, a step forward will have been taken towards an internationalism of capital.

The process of trust formation tends in the same direction. As competing industries within a nation frequently end by combining, so in many great industries the competing national units may develop a gentleman's agreement to regulate output and finally may establish an international cartel. Considerable progress has already been made in the division of the international field. A further development along these lines, though not easy, is by no means impossible or even improbable.

We may seek to understand this eventual international evolution of business by visualising a world organisation of the steel industry. Either one corporation might be formed or a common control might be established among national steel companies through an interchange of stock. The result might be somewhat as follows: In the United States we should have an organisation comprising all American steel concerns, its directors representing constituent companies as well as the government, labour and consumers. In its domestic affairs, it would be under governmental jurisdiction. Its capital might amount to a few billion dollars, of which a part would represent holdings of European companies in return for American stock, transferred to European companies.

Such a world corporation would be a financial aggregation immensely greater than any in the past. Its principles of organisation, however, would not materially differ from those with which we are familiar. In each country a board of directors would hold control over constituent companies, and at London, Paris or New York a high Federal Council would settle controversies and make arrangements for the business of the world. Each company would have two elements of protection against unfair treatment; a community of interest secured through an interchange of stock and a representative on the Federal Council.

A development, such as is here outlined, is in advance of the psychological preparation of the world. We have not yet succeeded in regulating corporations, and there would remain innumerable difficulties and inequalities as between nations, which could not easily be settled. The price which such concerns might be allowed to pay for ores or charge for finished products and the pressure which they might put upon workmen might cause financial quar-

rels, leading to international controversies. If the governments held hands off, even greater evils might result. The various peoples would hesitate to turn over their basic industries to a private corporation beyond the regulation either of competitors or of their own government.

But we are here concerned not with the end but with the direction of international capitalism, and this direction tends to be the same as that of national capitalism. Division of the field, interchange of stock, community of interest, co-operation and combination in one form or another are as much a temptation in the relation of firms separated by a frontier as between those within one customs union. Capital is fluid. It is quantitative. It is potentially international. A hundred dollars is indistinguishable from a certain number of pounds, marks or francs. The machinery for an international combination of capital is already present, the beginnings of international investment have already been made. Further progress waits only upon the removal of barriers, in part traditional. The larger economic interests of the nations, and of most of the classes within the nations, lead towards the removal of these barriers and towards the gaining of that security without which international investment is dangerous and conventions and agreements almost worthless.

Given such an economic co-operation and such an economic interpenetration of rival European nations, and the political and diplomatic conflicts would grow less acrid and dangerous. As the process continued the interest of each nation in the welfare of its neighbours would become so great as to make international war as unthinkable as a war of Pennsylvania against New York. A vital and powerful international spirit, which already exists but is held in check by the fear and insecurity of each

independent nation, would be given full sway. There would be a new Europe and a new world, in which war would be but a vague and hateful memory.

Such developments, however, are slow and generations live their uncertain lives during a period of transition. While waiting for an economic internationalism to develop to maturity the nations remain on guard, armed, threatened and threatening. The change from our present anarchy to a future concord will not be swift.

For the time even an increase of the economic unit to include several nations instead of one is not likely to put an end to all international economic strife. It is not improbable that the proximate economic development will be not internationalism but *supra-nationalism*. Just as the customs union grew from a district to a nation, so it may grow to include a group of nations but not the whole world. The world may come to be divided into a group of five or six vast economic units, each of which would be composed of one or several or indeed many political units. The British Empire, the Russian Empire, the United States, China and Japan, South America, one or two economic coalitions of west and central Europe (with their colonial possessions) would furnish a far more stable economic equilibrium for the world than is the present division of the powers. Each of these groups would have both agricultural and manufacturing resources; none of them would be imperatively obliged to fight for new territories. While there would be friction, while one group would have a population in proportion to its resources in excess of a neighbouring group, the sheer brutal necessity of expansion which now forces nations to fight would be largely moderated.

Such a division of the world into seven or six or perhaps fewer economic aggregates though not easy is quite within

the bounds of possibility. Three of these aggregates, Britain, Russia and the United States, are already political units; the chief difficulty would consist of western and central Europe. No thoroughgoing political amalgamation of such countries as France, Germany and Italy is at all proximate, but some form of economic unity is not impossible. The bond which would join these countries might be less tight and therefore stronger than the *Ausgleich*, which holds together the kingdoms of Austria and Hungary. In the beginning it might be merely a series of trade conventions terminable on notice; from this it might grow to more permanent trade agreements and finally to a customs union. While the opposition to such an economic union would be strong the forces driving in this direction would also be powerful. As the really great nations emerge, as Russia, the United States and the British Empire increase their population into the hundreds of millions and their wealth into the hundreds of billions, the individual nations of Europe will become economically insignificant and economically unsafe. Only by a pooling of their resources will they be able to escape from the crushing superiority of the nations with large bulk and from an insecurity which makes for war.

Even with such an economic rearrangement of the world the west European coalitions would be unsafe unless they lessened the rate of increase of their population. Never before has this population grown so rapidly. In the decade ending 1810 western Europe (including the nations lying to the west of Russia), added 6.3 millions to its numbers; in the decade ending 1900 it added almost 19 millions. Despite a decline in the birth-rate, the mortality has fallen so far that the population is reaching a point where it will be difficult to secure adequate food supplies from abroad. Rather than starve or live under the con-

strait of scarce food and high food prices, the west European powers will fight for new territory from which to feed their people.

With the industrial development of Asia, and especially of China, this danger will be enhanced. Of the three great nuclei of population in the world, Eastern Asia, Southern Asia and Western (and Central) Europe, only one has been able to draw upon the surplus food of the world. Eight hundred million Asiatics have been forced to live on their own meagre home resources. As China begins to export coal, iron, textiles and other manufactured products, however, she will be able, whether politically independent or not, to compete with Europe for the purchase of this food supply. Not only will China's population probably increase with the advent of industrialism but the standard of living of her population will rise, and her competition with Europe for the sale of manufactured products and the purchase of food will become intense. The cheap, patient, disciplined labour of China's hundreds of millions will be fighting with the Belgian, the German and the Italian wage-earners to secure the food which it will be necessary to import.

It is not a yellow, but a human peril; a mere addition to the hungry mouths that are to be fed. The supply of exportable food that can be raised in the world has of course not reached its maximum, but beyond a certain point every increase in agricultural production means a more than proportional increase in the cost of the product. To feed eight hundred millions costs much more than twice as much as to feed four hundred millions. Even though China secure only a minor part of the exportable food, it will by just so much increase the strain upon the industrial populations of Europe.

It is a crisis for European industrialism, a slowly pre-

paring crisis with infinitely tragic possibilities. What it involves is not a mere re-distribution of wealth and income but an adjustment of population to the available home and foreign resources in food. Collectivism will not permanently save the European wage-earner from hunger if he continues to multiply his numbers faster than the visible food supply increases. A decline in the rate of population growth is essential.

Fortunately this decline is already in progress. All the nations of Western and Central Europe are moving towards a lower birth-rate and in France this diminution has reached a point where there is no longer a natural increase. In a few decades the birth rate will probably begin to fall everywhere faster than the death rate declines. An adjustment of the population to its probable resources will be in progress.

In this progressive decline in the birth rate is to be found the greatest of all the factors making for internationalism and peace. It is a development which takes away the edge from the present frantic effort of industrial nations to secure a monopolistic control of foreign resources. It permits the gradual creation of an equilibrium between the nation's population and its physical resources at home and abroad.

Powerful forces in the world are at present slowly making for an economic internationalism to supplant the economic nationalism which to-day makes for war. The problem that faces the United States is what shall be its policy and action in view of the present nationalistic strife and of the slowly maturing economic internationalism.

## CHAPTER XXI

### AN IMMEDIATE PROGRAMME

To the practical man who wants to know what to do and when and how to do it, general principles seem unreal and valueless. He is interested in the decisions of the next few months, not in a vague general direction of events for the coming century. And so in international politics he would like to decide what the nation shall do *now* about the British blacklist, the German submarines, the Mexican revolution, the California-Japanese situation, and he is not keenly interested in the formulation of a policy which seems to hang high above the difficult concrete problems that must be solved immediately. He may languidly agree with proposals to create a community of interest among colonising nations and to establish the freedom of the sea, but he wishes to know whether in the meanwhile we are to back up Carranza in Mexico and what we are to do if the revolutionists "shoot up" an American town. While we work for these ideals, are we to allow Germany to sink our liners and Japan to swallow up China, or are we to fight?

This attitude is not unreasonable. A general policy is of little value unless we can make successive decisions conform to it. But it is not easy or always possible to predict these decisions. We can tell approximately how many people in the United States will die next year, but not how many will die in any particular family. We can



advise a man who is walking from New York to San Francisco to take a generally westward course, but for any given mile of the road the direction may be north or south or east. A trend of policy is made up of innumerable deflections, small or large; it is an irregular chain of successive actions, which do not all tend in one direction. Even if we narrow our field of vision and seek to elaborate a more immediate policy, we do not escape from the vagueness which inheres in all such general conclusions.

In the main our problem consists in using the influence of the United States to create such an economic harmony among the nations, and to give each nation such a measure of security as to permit them to agree upon an international policy, which will be in the interest of all. The chief elements of this programme are two in number: to create conditions within the United States which will permit us to exert a real influence; and to use this influence in the creation of an international organisation, which will give each nation a measure of economic and military security, and prevent any nation from wantonly breaking the peace.

How far we can progress towards such an organisation will depend upon the course and uncertain issue of the present war. The war may end with the Central Allies crushed, with Germany reduced in size and Austria and Turkey dismembered. It may end with a lesser defeat for the Central Powers and with lesser penalties. There may be an inconclusive peace, which may either be a mere truce or a new basis of agreement between nations disillusioned by the conflict. Finally the war may end with the partial or even complete victory of the Central Powers, either through their overcoming the united opposition of their enemies or by detaching one or more from their alliances.

What the United States can effect at the conclusion of the war will inevitably depend upon which of these developments takes place. Assuming that we ourselves are not drawn into the conflict, it is probable that our influence will be larger if neither of the great coalitions wins an overwhelming victory. If the Western and Eastern Allies completely crush the resistance of the Central Powers, it is hardly likely that they will concede to us, who have not borne a share of the danger and toil, a large discretion in proposing the terms of peace. Such an unconditional victory by either side would probably lead to an onerous and vindictive settlement, for each coalition is bound together by promises to its constituent nations, and these promises cannot be fulfilled without wholesale spoliation. Moreover, each coalition will wish to weaken the future power of its opponents. A request by the United States that the victorious alliance deal generously with the defeated nations in order to create the conditions of a permanent peace would therefore probably meet with a more or less courteous denial. On the other hand, a drawn battle, or one in which the defeated party asking for peace still retained a considerable power of resistance, might lead to conditions in which the influence of the neutral nations, led by the United States, would be all-decisive. A situation might be created out of which no further fighting could bring a tolerable peace, and the nations might agree to some form of incipient international organisation, to which the United States could contribute.

The problem of Constantinople illustrates this possibility. That city, with the command of the straits, is likely to go to Russia if the Allies win, and to fall under a disguised German-Austrian domination if the Central Powers are victorious. Either situation would be vicious;

either would leave the commerce of the defeated nations at the mercy of the great power that held the Bosphorus. If on the other hand, the two opposed alliances were almost equally formidable at the end of the war, or if England and France became unwilling to fight longer in order to give Russia a strategic position at Constantinople, a true solution of the problem might be obtained by neutralising the straits. A union of all the powers might guarantee the free passage of these waters at all times, and an American commissioner in command of a small American army might carry out the wishes of an international council. It would not be a pleasant or in any sense a profitable adventure for the United States, and we should accept the task most unwillingly. Our sole motive would be the belief that our acceptance of this responsibility would remove one of the greatest causes of future war.

Such an assumption of obligations at Constantinople would constitute for us a new and dangerous international policy. While Constantinople is easily defended and while ample assistance would be forthcoming if defence were necessary, it can hardly be doubted that a rupture of such an international agreement guaranteeing the neutrality of the straits would bring on a war in which we should be obliged to take our part. Yet the danger which we thus incur by entering upon an agreement looking to international peace is perhaps less than the danger of not entering since if Constantinople causes another world war, as it may if not neutralised, it is by no means unlikely that sooner or later we may be forced into the struggle. It is better to risk our peace in seeking to avert a world disaster than to permit the great war to come.

There are other international policies which in favouring circumstances might be urged by the United States at

the close of the war. We might append our signature to international conventions defining and guaranteeing a freedom of the seas, to agreements looking towards a co-operative exploitation of backward countries, to laws regulating the settlement of arbitrable international disputes, and to such special conventions as might be made for the re-neutralisation of Belgium. Upon the basis of such agreements, even though they were but tentative and partial, we might enter with the other nations upon some form of a League of Peace and International Polity, which would secure these new conventions from being rudely disturbed by the aggression of one or two powers.

Whether we help to carry out these policies at the close of this war, will depend upon the balance of power then existing in Europe and upon the mood of the nations. If Russia wants Constantinople, if Britain insists upon the right of capture at sea, if France, Italy, Servia, Roumania and the British colonies demand territorial gains without compensation, and these powers are able to enforce their will, our delegates to the Peace Conference may make representations and suggestions, but will not be able to carry them through. Nor if the Central Powers are victorious and unyielding, shall we be able to make our advice count. No one power or group of powers could carry out such a policy against the will of a majority or even of a strong minority of powers. Unless the conditions at the end of the war are such as to convince the victors (if there are victors) that it is wiser to readjust the world than to get all they can, unless great nations like Britain, France and Germany can agree that a groundwork for future peace is more valuable than territorial gains and punitive damages, the opportunity for a peaceful reconstruction will pass. New coalitions will be formed; new wars will be fought.

It is of course possible that such an international re-

construction will be entered upon only with hesitation by several of the nations, including some of the victors. It is even conceivable that the movement might be furthered by certain of the belligerents on both sides, as for example Germany, Great Britain, France and Italy (aided by the United States and other neutrals) and be opposed to some extent by, let us say, Russia and Turkey. It is not assumed that this particular division among the nations will actually occur, but merely that upon the conclusion of the war the moral integrity of the alliances may be shattered and with the prospect of new cleavages and disagreements, an effort be made, aided by the neutrals, to create conditions doing away with the present balance of power. A war disintegrates the elements making for success in war; enemies become allies and allies enemies. At the final council board each nation tends to return to its allegiance to itself, and with the passing of the old alliances a new league based upon totally different principles becomes possible.

It is, however, with a tempered optimism that we should approach the international conference that is to end this war. Even if America is represented and wisely represented, even if the powers are willing to listen to proposals looking toward international reconstruction, the probability that there will be an inclination to make concessions is not overwhelming. Hatred, distrust, the injection of petty interests, the tenacity of diplomatic conservatism will all work against a wise forbearance and a far-seeing policy, and the errors of the Vienna Conference of 1815 and of the Berlin Conference of 1878 may be duplicated or worse. There is at least an even chance that the international situation will be quite as unsatisfactory and perilous in 1920 as it was in 1900. Progress towards international reconstruction is a possible but by no means

certain part of the agenda of the diplomatic conference, which will meet when enough millions of the youth of Europe have been slaughtered and maimed.

But those who desire peace and the international relations which will alone make peace possible have learned to be patient, and if the problem advances only slowly to a solution it will be sufficient satisfaction to know that it advances at all. After this war there will be many long years during which the nations may study at their leisure the clumsiness of the arrangements which make for international conflict. There will be years in which America, if she is worthy and strong, will be able to make her influence for peace felt.

The problem, however, is not how rapidly we shall move but whether we shall move at all and in what direction. That direction seems to be clearly indicated by the recent trend of world events. With the passing of our isolation we are given the opportunity to use our immense influence directly, continuously and intelligently for the strengthening of the economic bonds which make for a world peace. Time and the economic trend work on our side. We can hasten, though we cannot and need not create, the vast unifying movement which comes with the further integration of industry. What we can contribute to this consummation is an ability to see the world as it is and a willingness to work and if necessary to fight for the changes without which international peace is impossible. We must avoid a cautious yet dangerous clinging to a philosophy of national irresponsibility, as we must likewise avoid the excesses of a nationalistic imperialism. We must take our part manfully, side by side with the other nations, in the great reorganisation of the world, which even to-day is foreshadowed by an economic internationalism, now in its beginnings.

In the last century and a half the United States has made three great contributions to the political advancement of the world. The first was the adoption of the constitution, an experiment in federalism on a scale larger than ever before known in history. The second was the adoption of a policy, by which the vast territories of all the states were held in common, and these new territories admitted to statehood upon exactly the same terms as the original commonwealths, which formed the Union. Our third contribution was the Monroe Doctrine, which removed two continents from the field of foreign conquest and guaranteed to each American nation the freedom to determine its own form of government and its own sovereignty.

To-day the nation is again in a position to contribute to the political progress of the world. It stands before a fourth decision. Either it can cling hopelessly to the last vestiges of its policy of isolation or can launch out into imperialistic ventures, or finally it can promote, as can no other nation, a policy of internationalism, which will bind together the nations in a union of mutual interest, and will hasten the peaceful progress of the economic and political integration of the world.





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This volume seeks to show how and to what extent Brazil "has been opened up" and developed, and by whom, and to outline some of the work that remains to be done. Miss Elliott first of all discusses present social conditions in Brazil, explaining who the Brazilian is, what political and social events have moulded him and what he has done to develop his territory; a territory 300,000 square miles larger than that of the United States. Later sections deal with finance, the monetary conditions of the country, the problem of exchange, and the source of income. Still others take up various means of transit, the railroads, the coast-wise and the ocean service, rivers and roads. Industries are treated in considerable detail — cattle, cotton raising, weaving, coffee growing and the rubber trade. An unusual feature comes under the heading of "The World's Horticultural and Medicinal Debt to Brazil" in which the reader is made to realize something of the immense forestal treasure house comprised in the huge, wild, half explored regions of north Brazil.

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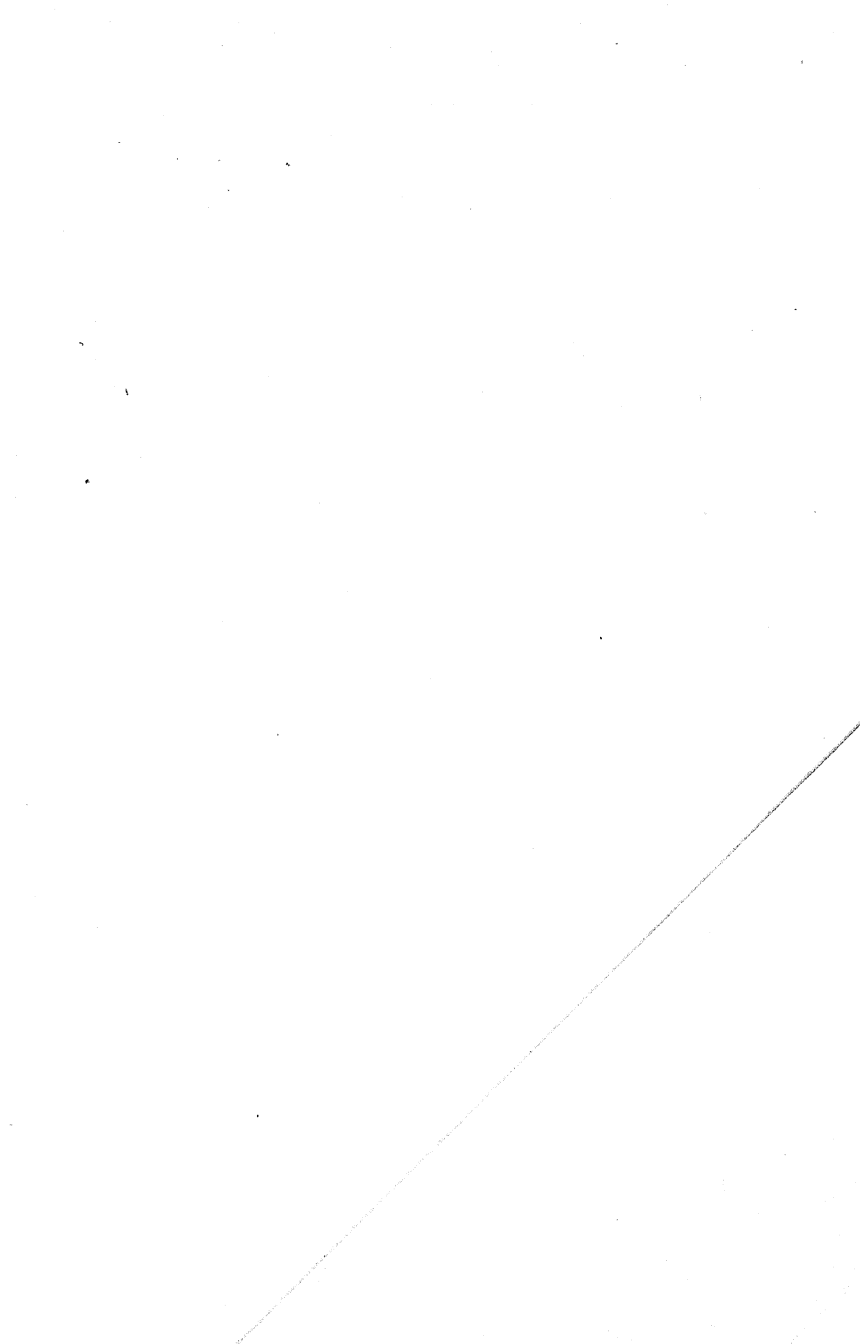
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